



**SPEAKER'S OFFICE OF MEMBER SERVICES**  
**Cruz M. Bustamante, *Speaker***

**1997**  
**A Year of Achievements**  
**The Assembly Democratic Caucus**

It was a year that saw many new faces in the Capitol. The Assembly Democratic Caucus of 1997 came to the Capitol from diverse backgrounds: they are teachers and chiropractors; college deans and former FBI agents; radio talk show hosts and ministers; businessmen and college football stars; nurses and prosecutors; local government officials and professors of literature; social workers and farmers.

With them came a new leadership team that truly reflected the face of California. Assembly Democrats took their job seriously. After two years of Republican control of the House, the agenda to further the public interest was large and important to many people who had been hurt or just forgotten in the previous two years.

From our coast to our working families; from our poor neighborhoods contaminated by poisons to our crumbling higher education infrastructure; from the needs of water for agriculture to the concerns about endangered species reform; from the growing number of gangs to the growing number of families in need of health care for their children; from the mandate that we reform welfare to the need to create new jobs and bolster our small business owners; from the huge need to respond to the floods of 1996-97 to the emerging challenges of the Internet, there has been no shortage of issues to work on.

While this is just the first half of the Legislature's two-year session, it is a year in which the Assembly proved itself up to the challenges before it; and in which its members proved themselves ready to tackle the challenges that lie ahead.

Several weeks ago, you received the first version of this document. Since the Governor has now completed the process and signed into law or vetoed all the bills sent to him, the following pages contain the final summary of some of the most significant issues Assembly Democrats addressed this year. I hope you will agree that it is a good start for a new team, willing and able to deal forthrightly with the real issues that confront the people of the State of California.



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### **Agriculture**

Assembly Democrats took active steps in 1997 to protect and enhance California agriculture, the "Breadbasket of the World," to make sure the regulatory process works both for farmers and the consuming public.

Led by its strong chair, Assemblyman Dennis Cardoza, the Assembly Committee on Agriculture addressed issues important to consumers, the agriculture community, and agriculture-related industries. The concept of government working smarter rather than larger was the main theme of discussion. Several measures were moved through the committee which increased the responsibility of the industry to keep consumers safe while providing a "good government" approach to problem solving.

Legislation was approved by the committee to continue funding of the Department of Pesticide Regulation, to ensure that improper use of pesticides is stopped with swift action while allowing appropriate use of necessary materials that have been properly registered with the department.

Following are some of the key bills passed by the Assembly this year:

**AB 440 (Prenter): Dairy products.** This bill conforms the state labeling requirements for various milk products to federal regulations, allowing milk processors in California to package one product which may be used throughout the nation. This measure will provide clearer and more consistent information to consumers and will allow more producers and processors to enter the "organic milk" market by changing California's rigid organic law to be more similar to neighboring states. This will provide greater competition in the milk specialty market and provide our consumers with greater availability of products.

*Status: Signed by the Governor. (Chapter 329.)*

**AB 460 (House): Veterinary medicine.** This bill will help California poultry producers compete with out-of-state producers by allowing the California poultry producers to have staff veterinarians licensed by the state Veterinary Medical Board. Due to changes in federal law, many commonly used drugs now must be prescribed and only licensed veterinarians can prescribe these products.

*Status: Signed by the Governor. (Chapter 895.)*

**AB 463 (Machado): Nonprofit cooperative associations.** This bill clarifies the distribution of dividends to agricultural cooperative members that are derived from non-member products by



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allowing those 'other' revenues to be fully distributed, after expenses, giving income back to the cooperative members.

*Status: Signed by the Governor. (Chapter 46.)*

**AB 503 (Cardoza): Weights and measures.** This provides authorization for the Department of Food and Agriculture (Department) to conform to changes in federal regulation related to commercial weighing. Additionally, this bill provides industry the option to petition the Department to change methods of commercial weighing based on new techniques. This bill provides California's commercial businesses with a single method for weighing commercial transactions resulting in the easing of government regulations on businesses.

*Status: Signed by the Governor. (Chapter 233.)*

**AB 593 (Cardoza): Eggs.** This bill requires all eggs processed and sold in California to have a "Sell-by:" date, a "Keep Refrigerated" notice, and a plant of origin identification.

*Status: Signed by the Governor. (Chapter 403.)*

**AB 839 (Thomson): Veterinary medicine.** This bill eliminates obsolete code sections and conforms Food and Agriculture code to the recommendations of the Joint Legislative Sunset Review Committee.

*Status: Signed by the Governor. (Chapter 642.)*

**AB 1559 (Cardoza): Food safety.** This bill redirects the existing surcharge paid by food manufacturers, packagers, or processors to the Department of Health Services to assist in developing and implementing food safety education and training programs.

*Status: Signed by the Governor. (Chapter 727.)*

**AB 1129 (Prenter): Livestock slaughter.** This bill provides additional tools to address the problem of the illegal slaughter of animals under unsanitary conditions and in unlicensed and uninspected facilities. This bill gives the Department alternatives to deter ranchers from allowing such slaughter on their property.

*Status: Signed by the Governor. (Chapter 146.)*

**SB 80 (Kopp): Veterinary medicine: euthanasia.** This bill authorizes registered veterinary technicians to apply for the direct purchase of sodium pentobarbital for the performance of euthanasia. The need for an alternative to a licensed veterinarian to administer and purchase this drug has increased due to rural areas having limited access to full time veterinarians and to urban shelters having limited financial support to fund a full-time veterinarian.

*Status: Signed by the Governor. (Chapter 380.)*



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**SB 494 (Maddy): District agricultural associations.** Last year, SB 1397 (Maddy) authorized the Department, under specified conditions, to take over the management of a fair which was in financial or administrative chaos. This bill clarifies the role of the Department in those takeovers and specifies the breadth of authority given to the department in those instances.

*Status: Signed by the Governor. (Chapter 534.)*

**SB 603 (Monteith): Pesticide evaluation.** This bill requires the Department of Pesticide Regulation to establish a "timely evaluation" process for the initial evaluation of a pesticide to be used in California, thereby reducing the cost to industry and help protect the public health and safety.

*Status: Signed by the Governor. (Chapter 483.)*

**SB 920 (Thompson): Olive oil labeling.** This bill creates a standard for the labeling of California-produced olive oil for the purpose of providing better information to consumers regarding its origin.

*Status: Signed by the Governor. (Chapter 543.)*

**SB 972 (Greene): California Exposition and State Fair.** This bill moves the oversight of the State Fair from the Legislature to the Division of Fairs, similar to the oversight process for all county fairs in the state. The intent of this bill is to reduce the overhead cost of the State Fair while maintaining appropriate oversight of the activities of the State Fair Board of Directors.

*Status: Signed by the Governor. (Chapter 694.)*

**SB 1161 (Costa): Pesticides.** This bill establishes the level of assessment to be charged on all pesticides sold in California to fund the registration, enforcement and review of pesticide uses in California.

*Status: Signed by the Governor. (Chapter 695.)*

**SB 1240 (Costa): Williamson Act.** California's agricultural lands are a valued resource to the state, but suffer from increasing urban encroachment. This bill allows land owners to exchange Williamson Act contracts for 30-year agricultural easements under the provisions of the Agricultural Land Stewardship Program, providing farmers and ranchers the opportunity to continue their efforts to conserve agricultural lands.

*Status: Signed by the Governor. (Chapter 495.)*



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### **Banking and Finance**

Assembly Democrats believe that one of the major responsibilities of the Legislature is to ensure that strong consumer protections and safeguards related to financial transactions are firmly in place - and strengthened - for California consumers. This includes making identity theft a crime, providing for easier prosecution of criminals who are laundering money, and protecting senior homeowners from being defrauded by unscrupulous sellers of phony mortgage services.

Another important consumer issue for Assembly Democrats is to make sure that financial regulators uphold their responsibilities in an equitable and cost-beneficial manner to California consumers and to the entities they regulate.

This year, under the guidance and leadership of Chairman Lou Papan, the Assembly Banking and Finance Committee intensified its efforts in those critical areas, as well as in other financial areas affecting consumers, banks and other financial entities.

The Committee also protected California consumers by defeating anti-consumer legislation that would have allowed loans secured by title to a consumer's automobile to be made at unconscionable annual percentage rates of 243% to 288%.

Following are some of the key finance and consumer protection bills passed by the Assembly this year:

**AB 156 (Murray): Personal information: credit reporting agencies.** This bill makes identity theft -- when a thief acquires your ID and assumes your identity for fraudulent purposes -- a crime. In addition, this bill imposes restrictions on the credit approval process in an effort to combat the ability of a thief to steal another individual's identity.

*Status: Signed by the Governor. (Chapter 768.)*

**AB 185 (Papan): Interpretation of contracts: foreign currency consideration.** As the European Union moves to create a single European currency, concerns have been raised over the fate of contracts entered into in California whose terms are expressed in relationship to an existing European currency. This bill assures enforceability of those contracts when that foreign currency is later converted to the "euro-dollar," the monetary unit of the European Union.

*Status: Pending in the Senate.*



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**AB 195 (Murray): Money laundering: financial institutions.** This bill makes it easier to prosecute criminals who launder money over an extended period of time.

*Status: Signed by the Governor. (Chapter 578)*

**AB 456 (Ducheny): Reverse annuity mortgages for seniors.** There have been many instances of senior homeowners being defrauded by unscrupulous sellers of mortgage services. This bill ensures that accurate information is given to seniors who are considering a mortgage that enables them to borrow against their equity and receive monthly payments during retirement.

*Status: Signed by the Governor. (Chapter 797.)*

**AB 782 (Papan): Bond acts: finance committees.** In an effort to streamline government and end duplication of efforts, this bill would have consolidated 36 bond financing committees into eight, thereby reducing costs to the state and increasing accountability to the voters.

*Status: Vetoed by the Governor.*

**AB 1104 (Knox): Point-of-sale disclosures, fees.** This bill requires disclosure of any fee for the use of an ATM prior to the transaction being consummated.

*Status: Signed by the Governor. (Chapter 646.)*

**AB 1432 (Papan): Regulation of bank examination fees and point-of-regulator intervention.** This bill conforms state law to federal law, making it easier for the state to close a state-chartered bank that is defaulting on its obligations, thus protecting bank consumers.

*Status: Signed by the Governor. (Chapter 375.)*

**AB 1435 (Machado): Privacy.** This bill protects a credit card holder's marketing information by requiring credit card issuers to obtain a credit cardholder's consent in order to use or sell their marketing information.

*Status: Pending in the Senate.*

**SB 768 (Thompson): Blue Sky laws.** "Blue Sky Laws," a popular name for laws various states have enacted to protect the public against securities fraud, is a term believed to have originated when a judge ruled that a particular stock had about the same value as a patch of blue sky. As charlatans have become more creative in offering blue sky clothed in illusory value, this bill closes a major loophole in California law and makes it easier for the courts to find against such unscrupulous investment counselors.

*Status: Vetoed by the Governor.*

**SB 788 (Burton): Pawnbrokers.** This bill allows pawnbrokers additional time to retrieve valuable property stored off-site, while protecting the borrower against additional interest rate



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charges under these circumstances. It stops unscrupulous pawnbrokers from circumventing loan regulations and gives borrowers additional time to retrieve their property.

*Status: Vetoed by the Governor.*

**SB 795 (Kopp): Real estate mortgage brokers, regulation.** Some people are doubtful that programs such as Social Security will still exist when they are ready to retire or that the benefits will be inadequate. This bill provides people looking for safe, adequate yielding investment alternatives for their future with the means and opportunity to gather as much information as is reasonably available prior to committing their resources to various real estate investments.

*Status: Signed by the Governor. (Chapter 540.)*

**SB 1291 (Calderon): Automobile leases, disclosures.** This bill requires a car dealer to provide the consumer with sufficient information upon which to make a knowledgeable decision regarding whether leasing an auto is a better deal than buying one.

*Status: Signed by the Governor. (Chapter 800.)*





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### **Consumer Protection, Governmental Efficiency and Economic Development**

At a time when information is everywhere, the very amount of available information creates confusion. Added to that are the growing number of people who, for reasons ranging from gaining a business advantage to attempting to commit fraud, purposely create deceptive information. Assembly Democrats took aim at some of the more pernicious forms of consumer deception this year that allow even a reasonably astute consumer to be tricked.

Under the able leadership of its chair, Assemblywoman Susan Davis, the Assembly Committee on Consumer Protection, Governmental Efficiency and Economic Development addressed efforts to deceive property owners, acted to protect individual privacy, created new incentives to attract large manufacturing concerns to California, required state government to be more efficient in its purchases and moved to make sure consumers are protected from poor home improvement workmanship.

Some of the major bills passed by the Assembly this year include:

**AB 633 (Cardenas): Statewide capital needs assessment for Small Business Loan Guarantee Program.** Appropriates \$100,000 to the Trade and Commerce Agency to contract for an independent capital needs assessment. This assessment will be a precursor to future growth of California's Small Business Loan Guarantee Program.  
*Status: Signed by the Governor. (Chapter 919.)*

**AB 698 (Davis): Technology commercialization.** This bill is intended to assist small businesses with proven technology convert that technology into product and market development and international patents. Recent concerns have been raised by small manufacturers about the efficacy of the state's current efforts in this area, causing many promising technologies to be commercialized elsewhere in the United States or abroad.  
*Status: Pending in the Senate.*

**AB 1159 (Bowen): Improved procedures for the purchase of goods and services.** Authorizes the Department of General Services to utilize more efficient procedures relating to the purchase of goods, services, and information technology products.  
*Status: Signed by the Governor. (Chapter 762.)*



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**AB 1178 (Davis): Deceptive advertising practices.** Prohibits certain deceptive advertising practices related to services which offer to file either a property tax homeowners' exemption or a property tax assessment appeal.

*Status: Signed by the Governor. (Chapter 249.)*

**AB 1507 (Cardoza): California Rural Development Council.** Creates the California Rural Development Council to improve the quality of life and economic development of rural California communities.

*Status: Vetoed by the Governor.*

**AB 1537 (Machado): School facilities inspectors.** Improves the training and education of school facilities inspectors.

*Status: Signed by the Governor. (Chapter 683.)*

**SB 458 (Peace): Protection of personal information.** Prohibits state agencies from openly displaying personal information, such as social security numbers, telephone numbers, and driver's license numbers, on outgoing correspondence. The measure should help prevent identity theft by making it more difficult for thieves to obtain personal information needed to fraudulently apply for credit.

*Status: Signed by the Governor. (Chapter 685.)*

**SB 566 (Thompson): Capital investment incentives.** Authorizes local agencies to rebate a portion of property taxes generated by a manufacturing facility that costs at least \$150 million. The bill is intended to attract large, capital intensive manufacturing facilities to California, such as a semiconductor manufacturing plant.

*Status: Signed by the Governor. (Chapter 616.)*

**SB 857 (Polanco): Protection for consumers of home improvement services.** This bill resolves litigation over restrictions on the type of work a general building contractor can perform. By codifying a slightly modified version of a regulation that reflects 50 years of industry practice, the bill should help ensure that consumers of building services are properly protected from unqualified contractors performing home improvement work.

*Status: Signed by the Governor. (Chapter 812.)*

**SB 1270 (Johnston): New building for departments of Health Services, Education and General Services.** Authorizes the Director of General Services to acquire property and construct \$1.5 million square feet of facilities to accommodate the consolidated housing of the departments of Health Services, Education, and General Services. The total cost of the project, intended to house 6,400 employees, is limited to \$385 million.



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*Status: Signed by the Governor. (Chapter 761.)*



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### **Education**

Assembly Democrats fully understand that education is the primary -- and, in many cases, the only -- way that children from all economic and cultural backgrounds can ever hope to achieve their fullest potential as productive members of California's diverse society; they also understand that if California is to remain competitive in both the national and the world-wide economy, a quality public school system is essential.

This year, under the leadership of Assemblywoman Kerri Mazzoni, the Assembly Education Committee redoubled its efforts to reduce class size, one of the most important steps in improving the quality of California education. Ninety-five percent of the school districts elected to participate in the \$1 billion program passed by the Legislature in 1996, and 18,400 new teachers were hired to implement the program. The budget passed this year expands the class size reduction program from three to four grades (K-3) and fully funds the costs of the program.

Additionally, the Assembly Education Committee worked to improve pupil learning, increase education accountability, help provide needed school facilities and increase the use of technology in schools.

Following are some of the key bills passed by the Assembly this year:

**AB 18 (Mazzoni): Meeting the demand for better teachers.** One of the side effects of Class Size Reduction has been the need to rapidly increase the number of qualified teachers. This law increases the supply of qualified teachers by allowing a retired teacher to return to the classroom and earn a full salary and, for up to three years, retain his or her retirement. In addition, the bill allows all districts to participate in the District Intern Program, which provides training and assistance to teachers who are not yet fully credentialed. Participating districts must certify that there are insufficient numbers of fully credentialed teachers available.

*Status: Signed by the Governor. (Chapter 1.)*

**AB 64 (Baca): Digital high school.** This bill provides grants equal to \$300 per pupil to high schools for technology installation. Participating districts would be required to match grant funds with their own resources.

*Status: Signed by the Governor. (Chapter 326.)*

**AB 39 (Mazzoni): School finance equalization.** This bill equalizes the amount of funding provided to county offices of education.

*Status: Vetoed by the Governor.*

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**AB 351 (Scott): Teaching Apprentice Program.** To improve the quality of teachers, this bill creates the Teaching Apprentice Program. It also creates a structured training program to provide support and professional development to apprentice teachers.

*Status: Signed by the Governor. (Chapter 934.)*

**AB 353 (Wildman): Paraprofessional Teacher Training.** To develop the teaching careers of teacher aides in schools, this bill expands and modifies the California School Paraprofessional Teacher Training Program. It also removes the "pilot" program status of the program and expands it by 600 additional participants over the next three years.

*Status: Signed by the Governor. (Chapter 831.)*

**AB 365 (Kuehl): Increased graduation requirements.** This bill requires pupils to complete one course in visual or performing arts and one course in foreign language in order to graduate from high school.

*Status: Vetoed by the Governor.*

**AB 412 (Wildman): Suspension and expulsion.** This bill ensures that districts collect expulsion and suspension data in a way that can help school communities and the Legislature understand the rate and nature of crimes occurring on school campuses. AB 412 also ensures that districts provide parents whose children have been expelled or suspended with a precise written record of the reason.

*Status: Signed by the Governor. (Chapter 637.)*

**AB 418 (Migden): Postsecondary academic preparation.** To help more students in underserved areas of the state go to college, this bill creates a program to provide grants to local education agencies to develop new or utilize existing academic preparation programs. This bill would create the California Collaborative for Improving Academic Preparation (CCIAP), which would provide services such as information, financial planning and tutoring for high school students. The CCIAP would accomplish its objective by obtaining services from existing, or developing new, collaborations among schools, businesses and industries, community organizations and colleges and universities.

*Status: Vetoed by the Governor.*

**AB 504 (Wildman): Low incidence disability guidelines.** Requires the Department of Education to develop guidelines for statewide regionalization of service delivery for pupils with low incidence disabilities, a severe handicapping condition with an expected incidence rate of less than one percent of the total statewide enrollment, and to develop a unified cost model for regionalized programs.



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*Status: Vetoed by the Governor.*

**AB 572 (Caldera): Improving school accountability report cards.** AB 572 requires that certain information be included in school accountability report cards, which districts are required to provide to the public so that parents can use them to compare and evaluate schools and school districts.

*Status: Signed by the Governor. (Chapter 912.)*

**AB 602 (Davis): Special education program funding reform.** This bill establishes a new method of funding special education that ensures greater equity in funding among school districts, allows school districts and county offices flexibility to design the best programs possible for students and eliminates inappropriate fiscal incentives.

*Status: Signed by the Governor. (Chapter 854.)*

**AB 676 (Strom-Martin): Classroom telephones.** This bill would have guaranteed that all future classrooms be equipped with telephone connections, so that teachers have access to emergency services in the event of a safety emergency and students have access to the Internet.

*Status: Vetoed by Governor.*

**AB 748 (Escutia): Improving assessment for English learners.** This bill establishes a test that would be used to measure English learners' progress toward acquiring English language skills. The bill also requires the State Board of Education to adopt English language development standards that are comparable in rigor to the statewide standards for the general K-12 population.

*Status: Signed by the Governor. (Chapter 936.)*

**AB 858 (Davis): National board certification.** To promote nationally-recognized high teaching standards, this bill waives California requirements for out-of-state teachers certified by the National Board for Professional Teaching Standards (NBPTS) and provides funding for California teachers to achieve National Board certification. The NBPTS was created in 1987 after a Carnegie task force recommended that the teaching profession set standards and certify teachers who meet those standards. The NBPTS is an independent, non-profit, non-partisan and non-governmental organization governed by a 63-member board of directors, a majority of whom are classroom teachers.

*Status: Pending in the Senate.*

**AB 1023 (Mazzoni): Teacher computer literacy.** To promote teacher computer literacy, this bill requires prospective teachers to demonstrate basic competency in the use of computers in the classroom and veteran teachers to study advanced computer-based technology.

*Status: Signed by the Governor. (Chapter 404.)*



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**AB 1056 (Mazzoni): Reform of low performing schools.** This bill provides for a systematic reform of low performing schools, which will be given support and assistance up to \$350 per pupil over two years while demonstration model schools will receive a one-time recognition grant.  
*Status: Pending in the Senate.*

**AB 1024 (Davis): Curriculum: Visual and performing arts.** This bill specifies that school districts maintaining any of grades 7 to 12, must offer courses in visual and performing arts, including art, music, theater or dance, with emphasis upon development of aesthetic appreciation and the skills of creative expression.  
*Status: Pending in the Senate.*

**AB 1086 (Mazzoni): Teacher training for reading instruction.** Last year, in an attempt to improve primary grade reading instruction, the State appropriated \$13 million to train K-3 teachers in phonics-based reading instruction. This bill allows future funds to be allocated for the same purpose and extends the training for teachers of grades 4-8.  
*Status: Signed by the Governor. (Chapter 286.)*

**AB 1106 (Knox): Middle college high schools.** To enhance the academic success of at-risk students, this bill requires continued support for middle college high schools which conduct programs with curricula focusing on college and career preparation, small classes, flexible class scheduling to accommodate student work schedules, interaction with community college students, and opportunities for internships, work apprenticeships, and community service. 71% of middle college graduates go on to college compared to the statewide average of 53%. This program is also highly successful in reducing the dropout rate.  
*Status: Signed by the Governor. (Chapter 948.)*

**AB 1162 (Havice): Reading instruction.** Establishes the Reading and Writing Enrichment Program (RWEPP) to prevent pupils from dropping out of school by increasing direct individual instruction in reading and writing.  
*Status: Pending in the Senate.*

**AB 1266 (Mazzoni): Beginning teacher support and assessment.** To provide better support and training to new teachers, this bill expands the Beginning Teacher Support and Assessment Program (BTSA) to serve about 15% of beginning teachers statewide in 1997-98. The BTSA program has been proven to increase teacher quality, save costs by retaining new teachers, retain minority teachers and teachers in urban schools, and result in teachers with high career satisfaction.  
*Status: Signed by the Governor. (Chapter 937.)*



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**AB 1321 (Alquist): Summer Math Pilot Program.** For several years, there have been growing concerns about the mathematics achievement of California's K-12 students. In the recently released *National Assessment of Educational Progress (NAEP) 1996 Mathematics Report Card for the Nation and the States*, California fourth graders scored below fourth graders from all other states who participated, except Louisiana and Mississippi. To improve math instruction, this bill establishes a pilot program to develop a model for teaching math to pupils experiencing difficulties in math and provides in-service training in math to local teachers in an intensive summer school program.

*Status: Vetoed by the Governor.*

**AB 1331 (Alquist): Teacher training for mathematics instruction.** This bill provides training for teachers on how to properly teach mathematics.

*Status: Pending in the Senate.*

**AB 1579 (Strom-Martin): Longer school year/Staff development buy-out program.** In order to ensure that pupils receive a full 180 days of instruction while teachers have an opportunity for continued training, this bill would provide schools a financial incentive to offer staff "in-service" days outside of the regular school year, such as during scheduled breaks or recesses.

*Status: Signed by the Governor. (Chapter 296.)*

**AB 1578 (Migden): Education fiscal provisions.** This is the main education trailer bill which appropriated \$142 million for various education initiatives, including:

- \$50 million for education technology (see AB 64-Baca);
- \$25 million to provide loan funds for child care facilities that were displaced as a result of class-size reduction;
- \$10 million for child care facility grants in community college districts, providing priority for serving CalWORKs eligible students; and
- \$25 million for adult education services for CalWORKs recipients.

*Status: Signed by the Governor. (Chapter 299.)*

**AB 1610 (Ortiz): Background checks for school employees.** Increases school safety by prohibiting school districts from employing anyone who has not had their fingerprints submitted to the Department of Justice (DOJ) for a criminal background check. Once a planned new electronic fingerprinting system is in place, DOJ must respond within three days.

*Status: Signed by the Governor. (Chapter 588.)*

**SB 376 (Alpert): Testing.** This bill requires standardized tests for second to 11th grades. It allows limited English-speaking students to be tested in their own language during the first year

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and requires reporting by grade level, school and district. The test will be recommended by the Superintendent of Public Instruction and selected by the Board of Education.

*Status: Signed by the Governor. (Chapter 828.)*

**SB 674 (Thompson): Five-year limit on emergency teaching permits.** To improve the quality of new teachers in the public schools, this bill requires teachers with an emergency permit to be fully credential within five years.

*Status: Signed by the Governor. (Chapter 344.)*

**SB 727 (Rosenthal): Eliminating excused absences.** This bill simplifies district paperwork and provides an incentive for schools to improve student attendance by ending the current state practice of reimbursing districts for days that students are absent from school for specified reasons. However, it adjusts funding formulas so that districts do not lose funding as a result.

*Status: Signed by the Governor. (Chapter 855.)*

**SB 804 (O'Connell): Class Size Reduction Program.** Last year, in order to comply with the class size reduction program, school districts had to come up with about \$150 a child from existing resources to hire the necessary teachers and provide the necessary classrooms. This bill fully funds class size reduction by increasing per pupil funding from \$650 to \$800, and also expands the program from kindergarten through second grade to add third grade. It also establishes a facilities loan program which allows districts to borrow up to \$40,000 per classroom against the amount of unused operational funds.

*Status: Signed by the Governor. (Chapter 298.)*

**SB 1026 (Schiff): Teachers' retirement.** Increases the purchasing power of the State Teachers' Retirement System from 68.2% of the original benefit to 75%.

*Status: Signed by the Governor. (Chapter 939.)*

**SB 1095 (Lockyer): High-Risk Youth Education and Public Safety Program.** In an attempt to prevent them from eventually ending up in the prison system as adults, this bill enhances services to juveniles who have committed crimes and are at highest risk of becoming repeat offenders. It establishes a new grant program to target resources and services to high-risk, first-time juvenile offenders and juveniles transitioning from juvenile ranches and camps back into the community.

*Status: Signed by the Governor. (Chapter 340.)*

### ***Bad Bills Defeated***



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**AB 25 (Pringle): Opportunity scholarships.** Would have provided publicly-funded opportunity scholarships to low-income students, to allow them to attend any public or private school of their choice. Defeated because of concerns that it would provide public resources to private and religious schools. More importantly, it would do nothing to prevent private schools from taking only the best students and rejecting poor-performing students, while still accepting public funds.  
*Status: Defeated in Committee.*

**AB 814 (Baldwin): Scholarships for low-performing pupils.** Would have provided publicly funded opportunity scholarships to low-performing students, to allow them to attend any public or private school of their choice. Defeated for reasons similar to AB 25.  
*Status: Defeated in Committee.*

**AB 859 (Pringle): Untrained volunteers.** Would have allowed school district governing boards to permit any person to serve as an unpaid volunteer for any capital maintenance project in a school district or to perform duties that would otherwise be performed by classified employees. The Assembly Education Committee decided against approving this measure due to concerns that services or projects done improperly could jeopardize student safety.  
*Status: Defeated in Committee.*



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### **Elections, Reapportionment and Constitutional Amendments**

Assembly Democrats believe that one of the primary responsibilities of the Legislature is to ensure that everybody who is eligible to vote is able and encouraged to participate. They are committed to seeing that greater protection is provided for voters in order to safeguard the fundamental right to vote, including distributing voter registration materials to each 12th grade pupil at the beginning of the school year.

This year, under the leadership of its chair, Assemblyman Edward Vincent, the Assembly Elections, Reapportionment and Constitutional Amendments Committee passed several key bills geared toward achieving the Assembly Democrats' top priorities. In addition, the Committee continued to strengthen the Political Reform Act of 1974 by, among other things, expanding the conflict of interest provisions of the act and ensuring ethics training for lobbyists. The Committee also continued to tighten laws regarding illegal contributions and loans made to political candidates. Hearing from many different constituencies that the initiative process must be reformed so that it is not overwhelmed by special well-heeled interests, legislation that seeks to accomplish that also received key attention and analysis.

The Committee examined various ways that voters can make their voices heard and also developed and heard legislation that clarifies the true initiators of slate mailers.

Just as important as the good bills that the Committee passed are the "bad" bills that it stopped. These included efforts that would have forced voters to carry various documents to prove their place of residence, posting signs intended to discourage certain voters from voting, and requiring candidates to submit the results of a drug test taken within 30 days of filing for office.

Key bills passed by the Assembly this year include:

**AB 44 (Murray): Digital electoral system.** This bill requires the Secretary of State, by Mar. 1, 1999, to study the development of a system that uses electronically generated and transmitted digital messages that would enable people to register to vote, sign petitions, vote, and cast absentee ballots through their computers.

*Status: Vetoed by the Governor.*

**AB 627 (Scott): Public officials: personal loans.** This bill prohibits a state or local elected official from receiving a personal loan of \$250 or more from any officer, employee, member, consultant, or contractor of the elected official's state or local agency. It also prohibits a state or



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local elected official from receiving a personal loan of \$500 or more from other sources unless all the terms of the loan, including repayment date and interest rate, are in writing.

*Status: Signed by the Governor. (Chapter 638.)*

**AB 837 (Thomson): Lobbyist certification: ethics training.** This bill revises procedures for lobbyist certification by requiring the lobbyist to complete a required ethics orientation course within the previous 12 months.

*Status: Signed by the Governor. (Chapter 574.)*

**AB 938 (Vincent): Fair Political Practices Commission: administrative actions.** This bill allows the Commission to impose monetary penalties or to seek other remedies up to five years after the date on which the violation occurred.

*Status: Signed by the Governor. (Chapter 179.)*

**SB 49 (Karnette): On-Line filing disclosure.** This bill requires the Secretary of State to develop a process for the electronic filing of campaign statements and reports by candidates, elected officials, lobbyists, committees, and others required to file reports by the Political Reform Act of 1974. This on-line filing process must make the electronically filed data available for public access on the Internet free of any charge.

*Status: Signed by the Governor. (Chapter 866.)*

**SB 109 (Kopp): Initiative campaigns: foreign contributions.** This bill prohibits a foreign government, or its representative, from making any contribution, expenditure, or independent expenditure, to support or oppose a state or local initiative, recall, or referendum measure.

*Status: Signed by the Governor. (Chapter 67.)*

**SB 269 (Karnette): Voter registration materials: students.** This bill requires that voter registration materials be distributed to each 12th grade pupil at the beginning of the school year.

*Status: Vetoed by the Governor.*

**SB 561 (Burton): Slate mailers recommendations: notice.** This bill would have provided that if a slate mailer makes a recommendation to support a candidate, or to support or oppose a ballot measure, different than the recommendation of the political party that the slate mailer appears to represent, then the slate mailer must make the following statement: "THIS IS NOT THE OFFICIAL POSITION OF THE \_\_\_\_ PARTY."

*Status: Vetoed by Governor.*

**SB 671 (Karnette): Elections.** This bill amends, repeals, and revises various outdated and unnecessary provisions of the Elections Code.



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*Status: Vetoed by the Governor.*

**SB 949 (Schiff): Contributions to candidates and public officials.** This bill prohibits a public official who is a candidate for a public office from increasing or offering to increase the salary of an employee of a state or local agency in exchange for a contribution or loan to his or her campaign committee. It also imposes criminal penalties for violations.

*Status: Signed by the Governor. (Chapter 206.)*

**SB 1077 (Schiff): Voter registration assistance by paid workers.** This bill requires that persons or organizations paying others to assist voters to register must identify affidavits when submitting them to the county elections official when those affidavits do not comply with legal requirements. It also requires that the county elections official notify the person or company when three or more affidavits of registration do not comply with legal requirements and permits the elections official to forward copies of the noncomplying affidavits to the district attorney.

*Status: Signed by the Governor. (Chapter 456.)*

**SB 1271 (Kopp): Voter registration information: confidentiality.** This bill permits a voter to inform the county elections official that he or she has reasonable cause to believe that somebody is stalking or threatening him or her. The information provided the voter would remain confidential unless a court ordered its release.

*Status: Vetoed by the Governor.*

*The following bills failed to pass the Committee:*

**AB 414 (Goldsmith): Voter registration: proof of permanent residence.** In another effort to deter new citizens from voting, this bill would have created onerous requirements for a person to prove through various documents, that he or she lives in the residence used for voter registration.

*Status: Defeated in Committee.*

**AB 430 (Baldwin): Election day procedures: polling places: signs.** This bill would have required the elections official to post signs in conspicuous locations at the polling place, stating the legal qualifications for voting. It would also have required that the signs be posted in as many non-English languages as determined by the elections official. This provides a chilling effect on new citizens and minorities desiring to vote.

*Status: Defeated in Committee.*

**AB 1007 (Kaloogian): Candidates for state offices: drug test.** This bill would have required a candidate for Governor, Lieutenant Governor, Attorney General, Controller, Secretary of State, Treasurer, State Board of Equalization, Superintendent of Public Instruction, Insurance



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Commissioner, Senator, or Assemblymember to submit the results of a drug test taken within 30 days of the filing of nomination documents.

*Status: Defeated in Committee.*

**SB 520 (Brulte): Telephone advocacy.** This bill would have prohibited candidates, campaign committees, and other organizations from using campaign funds to pay for telephone calls that totaling 1,000 or more to advocate support of or opposition to a candidate or ballot measure unless certain information is stated during the course of the call. It would also have prohibited contracting with phone bank vendors who do not disclose the required information.

*Status: Defeated in Committee.*



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### **Environmental Safety and Toxic Materials**

Assembly Democrats took aim this year at protecting the most basic of human health needs: the safety of the water we drink, the air we breathe, the food we eat and the soil in which we grow our food.

Under the leadership of Committee Chair Assemblyman Howard Wayne, the Environmental Safety and Toxic Materials Committee objectives in 1997 were to ensure protection of public health and the environment and to streamline and refine regulatory programs, where possible, without impairing the environment. This general focus is based on the following principles:

- Environmental protection does not come at the expense of a healthy economy. Rather, a strong economy is compatible with, and complimentary to, strong environmental protections. Businesses are attracted to California because of, not in spite of, our quality of life.
- The public supports environmental protection and is distrustful of agendas to dismantle the programs that have been steadily built up over the last 20 years.

Some of the key bills passed by the Assembly this year include:

**AB 335 (Wayne): Collection of administrative penalties.** This bill allows the Department of Toxic Substances Control (DTSC) to more easily collect monetary penalties levied as part of enforcement actions. The bill eliminates the requirement in existing law for DTSC to file separate and additional civil lawsuits to collect fines imposed by administrative orders.

*Status: Signed by the Governor. (Chapter 363.)*

**AB 411 (Wayne): Beach safety.** While recent studies have documented high rates of illness experienced by people swimming near storm drains, existing programs to monitor beach water quality are an inconsistent and incomplete patchwork. This bill establishes uniform requirements for regular monitoring of coastal waters for bacterial contamination and enacts requirements to establish statewide, health-based standards for bacterial contaminants. The bill requires health officers to protect and inform the public when waters at public beaches pose a health hazard.

*Status: Signed by the Governor. (Chapter 765.)*

**AB 592 (Kuehl), SB 1189 (Hayden) and SB 521 (Mountjoy): MTBE tanks and pipelines.** Recently, MTBE, an additive to gasoline, has been discovered to be leaking from underground gasoline tanks and pipelines, resulting in contamination of groundwater. This package of bills



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requires the state fire marshall to determine the location of petroleum pipelines near drinking water wells, requires pipeline operators to prepare pipeline wellhead protection plans, authorizes the expenditure of up to \$5 million annually to treat or replace contaminated drinking water, and requires the setting of a drinking water standard for MTBE and other gasoline additives. It also requires a recommendation by a scientific panel by 1/1/99 as to whether MTBE should be listed as a carcinogen and requires a UC study on the health and environmental risks of the continued use of MTBE. Additionally, they remove any liability from water districts for the clean up of MTBE-contaminated soil caused by another party.

*Status: All three bills Signed by the Governor. (Chapter 814,815, & 816.)*

**AB 847 (Wayne): Hazardous wastes.** Requires hazardous wastes and materials removed from major appliances to be managed in compliance with the hazardous waste control laws.

*Status: Signed by the Governor. (Chapter 884.)*

**AB 1157 (Wayne): Hazardous waste variances.** This bill would have ensured that communities are informed of hazardous waste operations that have requested and are about to receive variances from hazardous waste permitting, storage, treatment, transportation or other requirements. If members of affected communities are informed about pending variances, it gives them the opportunity to comment on conditions that are placed on their issuance. This would have given concerned citizens greater confidence that the issuance of a variance would not compromise protection of public health, safety or the environment.

*Status: Vetoed by the Governor.*

**AB 1429 (Shelley): Coastal water quality monitoring.** This bill requires the State Water Resources Control Board to propose a comprehensive statewide program to monitor coastal watersheds for chemical, bacterial and metal contaminants. A 1997 report released by the State Resources Agency found the state's existing coastal water quality monitoring inadequate and incomplete, hindering the state's ability to make sound water quality management decisions.

*Status: Signed by the Governor. (Chapter 899.)*

**AB 1479 (Sweeney): Bay toxics "hot spots" program.** This bill revises and extends the Bay Protection and Toxic Cleanup Program, first enacted in 1989, to identify and rank the most hazardous "hot spots" of toxic contamination in the state's bays and estuaries. Valuable monitoring data and information have been gathered under the program, and it is necessary to continue these activities to fully evaluate and make recommendations for remedying the worst toxic hot spots.

*Status: Vetoed by the Governor.*





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**SB 660 (Sher): Hazardous waste fee reform.** This bill, for the first time since the state Superfund program was enacted, provides a long-term stable source of funding for toxic cleanup.  
*Status: Signed by the Governor. (Chapter 870.)*

**SB 1161 (Costa): Pesticide mill assessment reauthorization.** This bill reauthorizes the assessment on pesticide sales for an additional five years. A significant portion of the state's program to regulate and control pesticides is funded by this assessment, which was cut by more than half on July 1, 1997. SB 1161 allows the existing pesticide regulatory program to continue at existing funding levels until the year 2003. This bill reflects a compromise negotiated between environmental and farm worker interests and agrichemical interests.  
*Status: Signed by the Governor. (Chapter 695.)*



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### **Governmental Organization**

Assembly Democrats took active steps in 1997 to make government programs more efficient and responsive to those they serve, as well as to effectively regulate major industry sectors of the California economy.

Under the strong guidance of its chair, Assemblywoman Valerie Brown, the Assembly Governmental Organization (G.O.) Committee reviewed legislation affecting gaming (horse racing, card clubs, Indian gaming, California State Lottery), alcohol, tobacco products, open meetings and public records laws, veterans, emergency services and fire safety, athletics, the state military, offices of state constitutional officers (Governor, Lieutenant Governor, State Controller, and State Treasurer), and state official acts.

#### ***Tobacco: Reducing Teen Smoking***

Grave concerns about the adverse effects of tobacco consumption on an individual's health and the high incidence of smoking among teenagers have made tobacco-related issues potent public policy questions for the state. Although the Committee did not review many tobacco-related bills in 1997, the bulk of the proposals in this area considered by the Committee are intended to reduce the incidence of smoking among California's youth. Key tobacco-related proposals approved by the Assembly this year include:

**AB 752 (Migden): Tobacco billboard advertising.** This bill prohibits billboard advertising of tobacco products within 1,000 feet of schools and public playgrounds and allows local governments to impose more restrictive tobacco billboard advertising or ban tobacco billboards altogether.

*Status: Signed by the Governor. (Chapter 219.)*

**ACR 4 (Perata): Discontinuation of "Joe Camel" ads.** This resolution notes the deceptive use of the "Joe Camel" character to market tobacco products and cigarettes, particularly to young people. The resolution states the Legislature's opposition to the marketing and promotion of tobacco products to minors. The resolution also concurs with the Federal Trade Commission's decision to seek an order requiring R.J. Reynolds Tobacco Company to conduct 10 years of anti-smoking education for teenagers and supply data on teenage consumption for each of the company's cigarette brands.

*Status: Adopted. (Res. Chapter 91.)*

#### ***Alcohol: Making Enforcement a Priority***

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There are currently more than 71,200 alcoholic beverage licenses throughout the state, with approximately 67,000 of those serving as retail outlets. From an economic perspective, the alcohol industry also makes significant contributions to the California economy, both in terms of employment and in the collection of excise taxes.

The state's economic downturn in the early 1990's prompted the Legislature in 1992 to convert the Department of Alcoholic Beverage Control (ABC) from a General Fund agency to a Special Fund Agency, supported by license fees imposed upon the three-tiers of the alcohol industry: manufacturers, wholesalers/distributors, and retailers. Unfortunately, this transition resulted in a measurable reduction in ABC enforcement actions, which has fueled concerns over alcohol-related problems in communities and neighborhoods and has led local governments to increasingly petition the Legislature for more local control. Enforcement efforts have also been compromised by a lack of resources, both at the state and local level. In fact, the ABC has less than 200 agents available to police the over 70,000 licenses in the state. (In a separate budget action, the Assembly was successful in augmenting the Governor's proposed budget for the ABC by adding 18 enforcement agents.) Key bills from the 1997 legislative session which were passed by the Assembly include:

**AB 783 (Brown): ABC/Local law enforcement grants.** This bill would have established the Alcoholic Beverage Control Special Enforcement and Training Fund within the ABC to administer the ABC's Grant Assistance to Local Law Enforcement Program.

*Status: Vetoed by Governor.*

**AB 849 (Sweeney): Off-sale beer and wine license restrictions.** This important legislation establishes a permanent population-to-license ratio which will restrict the issuance of new off-sale beer and wine licenses.

*Status: Signed by the Governor. (Chapter 564.)*

**AB 992 (Perata): Expedited ABC hearing requirements and increased community notification.** This bill will broaden community or local government notification requirements for proposed alcoholic beverage establishments. Additionally, it requires the ABC Appeals Board to hear license or penalty appeals within 45 days, rather than 60 days as is provided for under existing law.

*Status: Pending in the Senate.*

**SB 609 (Karnette): ABC hearing requirements.** Requires the ABC to provide written notice to the affected city or county and, if requested by the local government, conduct a public hearing when the ABC acts to remove or modify operating conditions previously imposed upon a licensee.



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*Status: Signed by the Governor. (Chapter 454.)*

**SB 805 (Alpert): Increased penalties for individuals who furnish alcoholic beverages to minors.** This bill increases the minimum penalty for individuals who furnish an alcoholic beverage to a minor.

*Status: Signed by the Governor. (Chapter 357.)*

**HR 36 (Brown and Bordonaro): Condemning direct shipment of wine prohibitions by other states.** Enacted in response to the action by several states prohibiting California wineries from making direct shipment of their products to that state's residents.

*Status: Adopted.*

### ***Veterans: Helping Those Who Served Their Country***

One of the responsibilities of the G.O. Committee is to oversee programs designed to assist California veterans. These programs range from providing residential and health services for veterans to loan assistance for farm and home purchases. In 1997, the Committee considered several proposals designed to make veteran services stronger and more accessible. Among the key veterans-related legislation approved by the Assembly are:

**SB 335 (Johannessen): Veterans Alzheimer's study.** This bill requires the Department of Veterans Affairs to study the health care needs of residents of the Veterans' Home of California who are suffering from Alzheimer's disease. The bill requires that the study address proposed treatment methods for these veterans and the estimated cost to provide proper care.

*Status: Signed by the Governor. (Chapter 335.)*

**SB 574 (Knight): Cal-Vet loan program eligibility.** This bill makes peacetime veterans eligible to participate in the California Veterans Farm and Home Purchase (Cal-Vet) program. This program assists qualified veterans in purchasing farms and homes. Currently, only wartime veterans are eligible for the program.

*Status: Signed by the Governor. (Chapter 155.)*

**SB 584 (O'Connell): Southern California Veterans Home sites.** This bill lays out the sites of the next three Veterans' Homes in Southern California, as recommended by the Governor's Commission on Southern California Veterans Home. The initial site, Barstow, is already in place. The bill states that the second site will be Chula Vista, the third site Lancaster, and the fourth site Ventura.

*Status: Signed by the Governor. (Chapter 91.)*

### ***Public Records/Open Meetings: Making Government More Accessible***

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The Governmental Organization Committee is charged with the responsibility of making sure that government agency meetings and records remain open and accessible to the public, without compromising privacy. In 1997, legislation approved by the Assembly is consistent with this mission. The bills include:

**AB 179 (Bowen): Access to electronic records.** This bill requires public agencies to provide public records in an electronic format used by the agency, if a member of the public requests records in that format. The bill allows the agency to charge for the direct cost of duplicating the electronic record.

*Status: Vetoed by the Governor.*

**AB 1601 (Shelley) and SB 1350 (Burton): Records disclosure and open meetings requirements for publicly funded hospital corporations.** These identical bills establish records disclosure and open meetings requirements for hospital corporations created with the transfer of at least \$50 million in state assets. An example is the proposed merger of the UC San Francisco Medical Center and Stanford University Hospital. The bills ensure that these corporations continue to be accountable to the public despite their unique status (i.e., they are private entities but created partly with public funds).

*Status: Signed by the Governor. (Chapter 925.)*

**SB 95 (Ayala): Meetings of state bodies.** This bill makes meetings of state bodies as open and accessible to the public as meetings of legislative bodies of local agencies. For example, this bill requires state bodies to publicly report certain actions taken in closed sessions; prohibits a state body from censoring critical comments from the public; allows any person to record a public meeting; and prohibits state bodies from holding meetings in facilities that are inaccessible to disabled persons or require payment to gain entry.

*Status: Signed by the Governor. (Chapter 949.)*

**SB 448 (Sher): Disclosure of utility records.** This bill prohibits the release of the name, credit history, utility usage data, home address, or telephone number of utility customers of local public agencies.

*Status: Signed by the Governor. (Chapter 276.)*

### ***Fire Safety/Emergency Services: Making Children and Adults Safer***

Protecting Californians from fire hazards and ensuring that emergency services are delivered promptly to those in need are also part of the G.O. Committee's mission. This year, the Assembly



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approved legislation designed to strengthen the fire alarm systems in our public schools and improve 911 service delivery. These bills include:

**AB 267 (Lempert): Automatic fire alarms in schools.** This bill allows public schools to receive state bond funding to install an automatic fire detection and alarm system.

*Status: Vetoed by the Governor.*

**AB 911 (Knox): Cellular "911" calls.** This bill requires the Department of General Services to begin planning for a system that automatically identifies and locates "911" calls made from cellular telephones. Such a system is expected to reduce delays in the emergency response to cellular "911" calls.

*Status: Pending in the Senate.*

### ***Horse racing: Helping an ailing industry***

The State of California is a major participant in the California horse racing industry. Over \$35 million in racing revenues is distributed annually throughout the state to the division of Fairs and Expositions for the benefit of the 81 County and Agricultural Fairs. The state General Fund additionally receives a portion of the amount wagered, which in 1996 amounted to nearly \$70 million. Furthermore, the California horse racing industry generates more than 50,000 jobs and \$3 billion annually in economic activity.

There have been several recent actions taken by the Legislature to support the horse racing industry's competitive position with respect to both other horse racing states and other forms of gambling permitted in California, including:

**AB 172 (Wright): Horse racing license fee relief.** This bill grants the horse racing industry additional state license fee relief by reducing by one percent the license fee paid by the state on all wages made after January 1, 1998.

*Status: Pending in the Senate.*

**AB 422 (Floyd): Horse racing license fee relief.** This bill reduces by one percent the state license fees paid by thoroughbred racing associations and fairs on all wages made using licensed pari-mutuel clerks.

*Status: Pending in the Senate.*

### ***Card Clubs: Regulating a Loosely Regulated Industry***



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Card clubs have been a fixture in California since the birth of the state. Today, California is considered the biggest card club state in the nation. In 1995, the state's 233 card clubs generated an estimated \$711 million in gross revenues. That year, an estimated \$8.5 billion was wagered in card clubs, representing over half of the total amount wagered in authorized gaming activities in the state.

Regulation of California's card clubs has been one of the biggest gaming policy issues tackled by the Legislature over the past few years. The Committee considered proposals to protect the integrity and public trust of gaming conducted in card clubs. Legislation in this area approved by the Assembly this year include:

**AB 518 (Brown): Statewide list of individuals not allowed in card clubs.** This bill requires the Attorney General to establish a statewide list of individuals to be ejected from, or prohibited from entering, card clubs in the state, including convicted felons and those associated with criminal elements. This bill is intended to protect the integrity and public trust of California card clubs. This type of list is used for horse racing in California and by casinos in Nevada.

*Status: Pending in the Senate.*

**SB 8 (Lockyer): Gaming regulation.** This bill creates a statewide comprehensive regulatory structure for card clubs in California and also establishes a state licensing program, a fee structure, and a compulsive gambling assistance program.

*Status: Signed by the Governor. (Chapter 867.)*

### ***Indian Gaming: Facilitating a Tribal-State Gaming Compact***

Gaming has been viewed by many tribes as the only viable tool to help them lift themselves from poverty. Tribes point out that Indian gaming has created over 15,000 gaming jobs and over 25,000 jobs in related industries. In addition, Indian gaming is responsible for paying out over \$4.2 million in salaries annually, expending over \$7.6 million in vendor supplies, contributing over \$78,000 per month to charitable causes, and providing over \$71.2 million in construction expenditures.

Under the federal Indian Gaming Regulatory Act (IGRA) of 1988, Native American tribes may conduct what are considered Class III games (e.g., slot machines, blackjack, and other banking games) if the gaming is conducted in accordance with a tribal-state compact. Although 35 tribes currently operate casinos in California, the state has never had a Class III gaming compact. The lack of a compact is in part due to the Governor's refusal to negotiate with tribes operating what he considers to be illegal slot machines. The Governor has now agreed to negotiate a compact with a tribe that does not have a casino but would like to have one. Those negotiations are



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currently in progress. This compact would become a model for the other tribes. Much of the legislation on Indian gaming passed by the Assembly this year was designed to facilitate the compact negotiations. These include:

**AB 1442 (Bustamante): Indian gaming compact negotiations.** This bill authorizes the Governor to negotiate with Native American tribes on a compact governing gaming in reservations and to execute the compact on the state's behalf. The bill also designates the entity responsible for enforcing the terms of the compact.

*Status: Pending in the Senate.*

**SB 1067 (Polanco): Indian gaming compact parameters.** This proposal clarifies the type and scope of gaming allowed on Native American tribal lands in the state which may be included in a tribal-state gaming compact. The bill empowers, but does not require, the Governor to negotiate a compact with Native American gaming tribes.

*Status: Vetoed by the Governor.*

### ***California State Lottery: Providing More Funds to Public Education***

The California State Lottery was approved by the voters in 1984 to maximize the revenues generated for public education through the sale of lottery tickets. State Lottery revenues are divided as follows: 50% to be returned to the public in the form of prizes, at least 34% to be allocated to public education, and up to 16% to be slated for administrative expenses. Between fiscal years 1985-86 and 1995-96, State Lottery sales totaled over \$22 billion. Of this amount, \$8.2 billion was allocated to public education.

Key State Lottery bills acted upon by the Assembly this year include:

**AB 197 (Thomson): Lottery vending machines.** This bill allows the California State Lottery to re-install Scratchers vending machines. The Lottery had withdrawn these machines last year because of an opinion by the Attorney General that the machines may be in violation of state gambling laws. This bill clarifies that the Lottery does not violate state law by selling tickets through vending machines.

*Status: Signed by the Governor. (Chapter 226.)*

**AB 201 (Bowen): Increase public's share of State Lottery revenues.** This bill increases by two percent the amount of California State Lottery revenues returned to the public either in the form of public education or prizes. To make this happen, the bill decreases by two percent the amount of revenues slated for Lottery expenses.

*Status: Pending in the Senate.*





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### **Health**

Assembly Democrats moved aggressively this year to deal with serious problems in the state's health care delivery system. With growing stories of abuses committed by health maintenance organizations (HMOs), with administrators who are eyeing the bottom line when making patients' health care decisions, and with an escalating number of the working poor, especially children, without any health insurance coverage, Democrats worked hard to reach accord with the Governor on ways to reform this troubled industry giant.

During 1997, under the leadership of its chair, Assemblyman Martin Gallegos, the Assembly Health Committee established its priority agenda around access to quality health care for Californians. Specifically, the Committee focused on:

- Improving access to coverage for the uninsured; and
- Making sure that Californians with existing health coverage -- particularly those enrolled in managed care plans -- receive quality health care.

Access and quality are the most pressing issues in health care today. There are still more than six million uninsured Californians -- most from working families -- without access to even the most basic primary and preventive care services. More than one million California children currently lack health coverage.

As the managed care explosion continues -- with more than 15 million Californians currently enrolled in managed health care -- meaningful quality standards and critical oversight of care delivery are at the heart of the Assembly Health Committee's mission and purpose. Unfortunately, most of the Legislature's efforts to reform managed care have been stalled until next year because of Governor Wilson's refusal to endorse reform efforts until he reviews the findings of an appointed task force which does not support his decision to delay the efforts.

A summary of major legislation passed by the Assembly follows:

**AB 7 (Brown), AB 12 (Figueroa) and SB 70 (Hayden): Mastectomy coverage.** These bills require health insurance policies and health plan contracts to include coverage for an appropriate hospital stay as ordered by the attending physician, for all needed reconstructive surgeries and for all complications following a mastectomy.

*Status: SB 70 Vetoed by the Governor; AB 12 pending concurrence; AB 7 pending in the Senate.*



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**AB 341 (Sweeney): Second medical opinions.** This bill requires a health plan to pay for a medically necessary second opinion upon the request of an enrollee.

*Status: Pending in the Senate.*

**AB 434 (Gallegos): Termination of health care providers.** Too often, long-term patient relationships are disrupted and continuity of care harmed because health care providers are suddenly terminated. This bill requires "managed care organizations" to provide health care providers with a reason for contract termination or non-renewal and to provide an opportunity for binding arbitration related to the termination or non-renewal.

*Status: Pending in the Senate.*

**AB 452 (Wildman): Emergency medical transport.** Firefighters are the largest group of providers of pre-hospital emergency care in the United States. However, some private providers of emergency medical transport services have billed for aid that was provided by a fire department. This bill prohibits such billings.

*Status: Vetoed by the Governor.*

**AB 497 (Wildman): HMO response time.** One of the most common consumer complaints about managed care is the endless waiting that discourages patients from seeking the care they need when they need it. AB 497 requires health plan providers to meet specific and fast response times to enrollee telephone calls and requests for appointments.

*Status: Pending in the Senate.*

**AB 536 (Gallegos): Disclosure.** This bill requires health plans to make available to the public the criteria used to determine whether to authorize or deny health care services.

*Status: Vetoed by the Governor..*

**AB 607 (Scott): Health plan information: public disclosure.** This bill requires health plan disclosure forms to include specific information regarding benefits in a matrix format to facilitate comparison between plans.

*Status: Pending in the Senate.*

**AB 659 (Miller): Medi-Cal prescription drugs.** This bill adds to the Medi-Cal list of contract drugs any federal Food and Drug Administration-approved drug for the treatment of psychosis and psychotic disorders.

*Status: Pending in the Senate.*

**AB 752 (Migden): Tobacco advertising.** This bill prohibits tobacco advertising on billboards within 1,000 feet of schools.



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*Status: Signed by the Governor. (Chapter 219.)*

**AB 760 (Migden): Health coverage: Autologous Bone Marrow Transplant (ABMT).** This bill makes a breast cancer patient eligible for an independent review of health plan treatment decisions if her physician recommends ABMT and the health plan denies it.

*Status: Vetoed by the Governor.*

**AB 768 (Gallegos): Disproportionate Share Hospitals (DSH).** This bill stabilizes funding for disproportionate share hospitals (hospitals that serve high numbers of low-income and uninsured patients) and ensures that the state receives new federal funding earmarked for DSH. The DSH program yields \$1.1 billion in federal funds to assist these hospitals.

*Status: Signed by the Governor. (Chapter 552.)*

**AB 794 (Figueroa): Health care.** Provides that any decision regarding the "medical necessity" of health care be based on medical and not administrative reasons, requires health plans to disclose the process and criteria used to authorize or deny care, and requires a physical exam before an HMO or insurer can deny recommended care for patients facing grave health risks.

*Status: Vetoed by the Governor.*

**AB 974 (Gallegos): Prescription drug continuity of care.** This bill prohibits HMOs from limiting coverage for a drug that had previously been approved by the health plan and requires disclosures regarding the plan's use of, and the contents of, drug formularies.

*Status: Pending in the Senate.*

**AB 984 (Davis): Ambulatory services.** This bill allows a patient to call "911" when he or she needs help, without worrying about whether the health maintenance organization (HMO) or the insurer will cover the cost of the medical transportation and ensures that HMOs and insurers meet their obligation to care for the patient.

*Status: Pending in the Senate.*

**AB 1099 (Migden): Medi-Cal coverage for AIDS patients.** This bill continues Medi-Cal eligibility with no share of cost, or reduced share of cost, for persons with HIV or AIDS who return to work. The bill only applies until a person is eligible for and receives full medical coverage with prescription drug coverage.

*Status: Vetoed by the Governor.*

**AB 1126 (Villaraigosa and Figueroa): Uninsured children.** This bill creates the Healthy Families Program to provide health care for currently uninsured children by covering children in



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families with incomes equal to or less than 200% of the federal poverty level. AB 1126 also increases outreach to enroll Medi-Cal-eligible children who are not currently enrolled.

*Status: Signed by the Governor. (Chapter 623.)*

**AB 1133 (Gallegos): Long-term care facilities.** This bill increases civil penalties for health and safety violations in long-term care facilities, eliminates the waiver of civil penalties for corrected violations, and eliminates a facility's ability to pay a lesser fine as an alternative to contesting a citation.

*Status: Pending in the Senate.*

**AB 1341 (Alquist): Research:** This bill requires grantees conducting clinical research with state funds to ensure that women and minority groups are included as research subjects. AB 1341 addresses an inequity in our current system -- less clinical research is performed on women, and even less is performed on minorities and women over 40 years old.

*Status: Vetoed by the Governor.*

**AB 1354 (Davis): Health coverage: Direct access to obstetricians and gynecologists (OB-GYNs).** This bill would have required health plans to permit enrollees to receive OB-GYN services directly from an OB-GYN without the need for referral from a primary care physician, often just the "gate-keeper" for an HMO.

*Status: Vetoed by Governor.*

**AB 1483 (Gallegos), SB 527 (Rosenthal) and SB 1052 (Vasconcellos): Long-term care insurance.** These bills authorize the sale of tax-qualified, long-term care insurance and improve consumer standards for long-term care coverage in several areas, including benefit eligibility, disclosure of information, and rating rules.

*Status: All three bills Signed by the Governor. (Chapter 700; 701; & 699.)*

**AB 1554 (Ortiz): Ovarian and Cancer Research Program.** This bill establishes the Cancer Research Program within the Department of Health Services to study the cause, cure and treatment of cancer with an emphasis on gender-based cancers. The bill appropriates \$2 million to begin the program this year and expresses intent to appropriate \$25 million next year.

*Status: Signed by the Governor. (Chapter 755.)*

**SB 719 (Johnston): Cal-COBRA program.** Federal COBRA requires employers of 20 or more employees to offer continuation health benefits at the group rate to employees, spouses and dependents when a person leaves employment. This bill would extend a similar guarantee to employees in firms with fewer than 20 employees.

*Status: Signed by the Governor. (Chapter 665.)*



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**SB 1255 (Polanco): Health care: discount payments.** This bill allows health care providers to grant discounts to patients without health coverage and provides that these discounted fees are not deemed to be the health care provider's usual fee for purposes of health plan contracts.

*Status: Pending in the Senate.*



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### **Higher Education**

Since California is one of the largest economies in the world, its economic growth, including growth in employment, can only be sustained with sufficient investment in education. For its very survival in an increasingly competitive global economy, efforts are needed to fund the State's public colleges and universities. Assembly Democrats responded strongly in 1997 to protect one of the world's greatest public higher education systems.

Working under the direction of its chair, Assemblyman Ted Lempert, the Assembly Committee on Higher Education sought to prevent increases in student fees, provide funding to support growing numbers of students seeking to enroll in higher education classes, and provide a stable funding base that will maintain the quality of instruction students receive.

California's public institutions will face huge enrollment increases through the year 2005. California's community colleges expect nearly 340,000 additional students; the CSU system will receive over 85,000 additional students; and UC will receive more than 32,000 additional enrollees.

California's community colleges are the primary institutions responsible for providing education and training for California's expanding workforce and are the largest single provider of job training for welfare recipients. Our community colleges currently enroll over 140,000 welfare recipients, meeting the challenge for job training for 21st Century jobs by developing partnerships with local employers.

California has a history of strong protections for students enrolled at private trade schools. The private sector trains approximately 300,000 students annually. With recent welfare reforms and the need for short-term training programs, a proliferation of private training schools is anticipated and the students' need for strong consumer protection laws is greater than ever.

Tuition and fee policies are not integrated into a comprehensive funding policy for higher education. Over the past five years, student fees at California's public colleges and universities have increased far in excess of both the rate of inflation and the growth of family income. By making a college degree unaffordable, the State is depriving itself of skilled, educated workers necessary to remain competitive in the high tech, global marketplace of the 21st Century.

Some of the key bills the Assembly passed to deal with these critical issues include:



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**AB 71 (Wright): Private Postsecondary and Vocational Education Council.** Last year, the Governor vetoed authorization for the Council to continue its work of monitoring private vocational colleges, some of which prey on the poor and do not fulfill their obligations. This bill places back in law basic consumer protections, more important now than ever as thousands of people will be seeking training as a result of welfare reform.

*Status: Signed by the Governor. (Chapter 78.)*

**AB 226 (Scott): Education finance.** This bill establishes a fixed split of Proposition 98 funding between K-12 schools and community colleges by increasing the community college percentage from 10.3% in 1997-98 to 10.6% in 2001-02 and thereafter.

*Status: Vetoed by the Governor*

**AB 530 (Assembly Committee Bill): Golden State Scholarshare Trust Act.** Establishes the Golden State Scholarshare Trust Act, an open savings program for families to help them plan for and alleviate the future costs of higher education at both public and private colleges, universities and vocational institutions. The bill provides a tax-free exclusion from gross income for the participant. Proceeds from the savings program can be used for tuition, fees, books, supplies, and room and board.

*Status: Signed by the Governor. (Chapter 851.)*

**AB 549 (Wildman): Medi-Cal providers.** Adds community college districts (CCD), a California State University (CSU), or University of California (UC) campus to the definition of "local educational agency" as a provider of services for the purpose of seeking federal Medi-Cal funds. Many community college educators are concerned that with Welfare Reform, the college health centers will be even more in demand for those students with no access to health care. This bill provides some fiscal relief to the community colleges and other universities by allowing for billing directly to Medi-Cal for health services provided to eligible students.

*Status: Signed by the Governor. (Chapter 883.)*

**AB 1318 (Ducheny): Public postsecondary education student fees.** Prohibits any increase in system-wide student fees, for both undergraduate and graduate students, at UC, CSU and CCC during the two-year period July 1, 1998 to June 30, 2000.

*Status: Signed by the Governor. (Chapter 853.)*

**AB 1415 (Bustamante): Higher Education Partnership Act of 1999.** This bill guarantees that the State will provide funding to UC and CSU equal to the existing proportion of the state General Fund plus funding for enrollment growth in each of the next four fiscal years.

*Status: Vetoed by the Governor.*



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### ***Bills Stopped In Committee:***

**AB 678 (Aguiar): Community College Job Training Program.** Would have created a Community College Job Training Program authorizing community colleges, with the approval of the Employment Development Department, to enter into agreements to establish projects and provide program services to an employer. This bill was ambiguously constructed, would have imposed an additional tax, and called for the creation of a new bureaucracy for implementation purposes.

*Status: Defeated in Committee.*





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## **Housing and Community Development**

Assembly Democrats moved on a number of fronts to increase the supply of affordable housing for Californians. The state currently faces a major affordable housing crisis. The number of apartments produced in the state has dropped from 100,000 per year in the mid-1980s to 12,000 in the mid-90s, and, in 1995, California was home to 13 of the nation's 25 least affordable metropolitan areas. Too often, two-income families struggle to find decent housing near their work sites.

Under the strong leadership of its chair, Assemblyman Tom Torlakson, the Housing and Community Development Committee worked to meet the affordability challenge in a number of ways, including providing incentives for local jurisdictions to plan for and provide housing near job sites, improving the use of redevelopment housing funds, enacting a comprehensive program to decrease lead hazards in older housing units, and increasing funding for affordable housing through tax credits, loans and grants.

Additionally, the committee has sought to increase the availability of housing for specific, often underserved, groups. These include farmworkers, especially those who faced homelessness after the 1997 floods, and people who suffer illegal discrimination based on their sexual orientation. The committee successfully passed legislation this year to combat these two problems.

Following are some of the key bills passed by the Assembly:

**AB 10 (Ducheny): Farmworker housing.** This bill allocates \$4 million appropriated by the 1997-98 Budget Act to the Farmworker Housing Grant Program administered by the Department of Housing and Community Development. This is the first appropriation received since 1991.  
*Status: Signed by the Governor. (Chapter 881.)*

**AB 168 (Torlakson): Low-income housing tax credit.** This bill increases the tax credit for building low-income rental housing from \$35 million to \$50 million. The tax credit is one of the major sources of funding for affordable housing for working families.  
*Status: Pending in the Senate.*

**AB 257 (Villaraigosa): Fair employment and housing.** This bill moves from the Labor Code to the Fair Employment and Housing Act (Civil Code) provisions prohibiting discrimination on the basis of sexual orientation. Doing so places sexual orientation with all other protected categories, such as gender and race, and subjects it to the same statutes of limitations and remedies.



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*Status: Vetoed by the Governor.*

**AB 450 (Torlakson): Relocation assistance.** This bill brings the state in line with federal relocation assistance provided when a state or local public development project displaces people from their homes. The bill contains provisions to ensure that low-income renters currently involved in a relocation process will not receive reduced benefits as a result of passage of the law.  
*Status: Signed by the Governor. (Chapter 597.)*

**AB 931 (Thomson): Student housing.** This bill creates and capitalizes the California Cooperative Student Housing Act to loan money to build student housing cooperatives.  
*Status: Vetoed by the Governor.*

**AB 6X (Torlakson): Real estate disclosure of natural hazards.** This bill requires home sellers and their agents to provide buyers with a listing of the natural hazard zone(s) in which a home is located. It is designed to encourage home buyers to purchase insurance or take mitigation measures to protect their homes.  
*Status: Signed by the Governor. (Chapter 7 of First Extraordinary Session.)*

**SB 219 (Rosenthal): Tax defaulted properties: use as affordable housing.** This bill expands the authority of nonprofit organizations to purchase tax-defaulted multifamily housing, rather than just single family housing. In addition, the bill authorizes use of tax-defaulted property bought and rehabilitated by a non-profit organization to rent to, or otherwise serve, low-income persons.  
*Status: Signed by the Governor. (Chapter 477.)*

**SB 1313 (Leslie): Farmworker housing.** This bill provides \$1 million to replace farmworker housing damaged or destroyed by the 1997 floods in Yuba County. The floods left 300-500 migrant farmworkers homeless after they were denied aid by the Federal Emergency Management Agency.  
*Status: Signed by the Governor. (Chapter 104.)*

### ***Key Bills Defeated By The Committee***

**AB 923 (McClintock): Redevelopment.** This bill would have repealed the community redevelopment law and dissolve all existing redevelopment agencies.  
*Status: Defeated in Committee.*

**SB 71 (Kelley): Coachella Valley housing.** This bill would have established the Coachella Valley Redevelopment Affordable Housing Pilot Project, which would have allowed the 10



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redevelopment agencies in the Coachella Valley to transfer their redevelopment housing funds to other jurisdictions and receive credit for meeting their share of the region's housing need.

*Status: Defeated in Committee.*



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### **Human Services**

Assembly Democrats faced the daunting task this year of fashioning a welfare reform bill mandated by the federal government in cooperation with a Governor and a Republican caucus whose initial plan was uncaring and punitive to poor families struggling to get off welfare and into a job. Additionally, the growing incidence of child abuse demanded serious attention.

Under the calm and wise leadership of its chair, Assemblywoman Dion Aroner, the Assembly Human Services Committee focused its efforts this year in three distinct areas:

- Implementing the federal welfare reform law in a humane and practical fashion;
- Enhancing the well-being of vulnerable populations who live in community care facilities; and
- Enhancing the well-being of children who are removed from their homes due to abuse or neglect.

Following are highlights of bills passed by the Assembly this year:

#### ***Welfare Reform:***

The enactment of federal welfare reform offered California a unique opportunity to redesign our AFDC and welfare-to-work programs, but also imposed strict constraints and the threat of huge potential penalties for failure to meet federally-established goals. More than 70 bills were introduced in the California Legislature designed to shape the state's response to federal reforms. The Assembly Human Services Committee heard the majority of those bills and determined which were to become a part of a comprehensive welfare reform proposal.

**AB 72 (Knox) and AB 232 (Honda): Citizenship assistance.** Funds citizenship assistance centers to help elderly and disabled refugees and other legal immigrants who have worked hard, paid taxes and played by the rules in order to become citizens.

*Status: Pending in the Senate.*

**AB 656 (Aroner): Local child care planning.** Creates local child care planning councils, jointly appointed by the county board of supervisors and the county superintendent of education, to help meet the increased need for child care that will result from welfare reform. The language in this bill was included in the final CalWORKs bill.



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*Status: Pending in the Senate.*

**AB 1542: (Ducheny) Welfare reform.** Establishes the California Work Opportunities and Responsibility to Kids (CalWORKs) program to replace AFDC. Imposes tough work participation requirements and time limits upon receipt of aid. Includes various job creation initiatives and provides child care and job training services for recipients. Also includes a safety net for children whose parents exceed the permissible time limits on aid.

*Status: Signed by the Governor. (Chapter 270.)*

**AB 1576 (Bustamante and Lockyer): Food stamps.** Creates a state food stamp program for children and seniors who are legal immigrants and are losing federal benefits as a result of welfare reform.

*Status: Signed by the Governor. (Chapter 287.)*

**ACR 24: (Aroner): Food stamp waivers.** Calls upon the Governor to request waivers from the Department of Agriculture to continue food stamp benefits for unemployed individuals in areas of high unemployment resulting in millions of federal dollars to California's economy.

*Status: Pending in the Senate.*

### ***Community care facilities:***

The Department of Social Services is responsible for licensing group homes for children, facilities for developmentally disabled adults, and residential facilities for the elderly. These homes and facilities -- responsible for caring for our most vulnerable populations -- are often plagued by inadequate financial resources on the one hand, and hostile communities on the other. The Human Services Committee worked to increase resources for group homes, improve conditions for residents, and deal with the multiple complexities of siting these often controversial facilities.

**AB 929 (Machado): Siting of group homes.** Allows more local input in the process of siting and rate-setting for a new group home for abused children who have been removed from their homes by court order. Requires counties to ensure that they have a sufficient number of beds to serve their own group-home population before denying support for a new group home.

*Status: Pending in the Senate.*

**AB 1255 (Davis): Continuing care board representation.** Requires nonprofit continuing care retirement community (CCRC) providers to include at least one resident from each facility on their board of directors. Residents pay a significant sum to live in a CCRC but have no voice in the financial decision-making of the board that governs it. AB 1255 addresses residents' concern



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about decisions to expand, buy, or build new facilities, and other activities that could result in higher fees and deplete their personal resources.

*Status: Pending in the Senate.*

**AB 1545 (Human Services Committee): Community care facilities.** Ensures that adults with incidental medical needs (e.g., gastrostomy feeding tubes) have access to community care facilities and are not forced to remain in nursing homes or other medical facilities. Clarifies that facility staff can provide incidental medical services as long as the staff have been trained by a licensed medical professional.

*Status: Signed by the Governor. (Chapter 526.)*

### ***Foster care and kinship care:***

Increasing numbers of California's children have been abandoned by their parents or removed from their homes due to abuse or neglect and, often, the results of placing children in foster care are dire: they have much higher rates of school failure, suicide, teen pregnancy, and criminal behavior than other children. The Human Services Committee worked to improve conditions for foster children and their relative caregivers by shifting the fiscal balance and removing barriers to their long-term stability.

**AB 696 (Aroner): Children's receiving centers.** Establishes a pilot project for the operation of receiving centers to meet the immediate needs of children removed from their homes and allow the county time to find the best placement for the children.

*Status: Pending in the Senate.*

**AB 1193 (Shelley): Kinship support services.** Funds community-based support services for foster children and their relative caregivers.

*Status: Signed by the Governor. (Chapter 794.)*

**AB 1391 (Goldsmith): Foster families.** Increases reimbursement rates for children placed with foster families by 6%.

*Status: Signed by the Governor. (Chapter 944.)*

**AB 1544 (Human Services Committee): Adoption.** Creates an alternative legal adoption option for relatives caring for foster children. Allows the family structure to remain in place and allows for a post-adoption agreement for continuing contact among family members.

*Status: Signed by the Governor. (Chapter 793.)*

### ***The following bad bills were defeated in committee:***

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**AB 1326 (Prenter) and AB 1400 (Ashburn): California Temporary Assistance Program.**

Governor's welfare plan including stricter time limits and work requirements than federal law.

*Status: Defeated in Committee.*

**AB 1404 (Runner): Child support and paternity.** Would have denied welfare benefits to custodial parents who fully cooperated in establishing the paternity of their children but who were unable to get a paternity order. The defeat of this bill ensured that nearly one-half million children who do not have paternity orders established through no fault of the custodial parent will be eligible for welfare benefits.

*Status: Defeated in Committee.*



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### **Information Technology**

Assembly Democrats have worked this year to create both a repository for knowledge of information technology (IT) issues facing the state of California as well as an oversight body for all IT legislation, and to make sure that information is widely available to all Californians.

Under the strong chairmanship of Assemblywoman Elaine Alquist, the Assembly Committee on Information Technology took important steps this year relating to state services over the Internet. In this area, the Committee worked to see that California government moves as quickly as feasible to an "on line" interactive framework, while at the same time assuring that safeguards for private information be maintained.

As an oversight body for IT procurement, the Committee identified several areas where California is not getting full value out of its IT investment dollar. The most critical of these systems is the Statewide Automated Child Support System (SACSS), which has cost the taxpayers over \$80 million and is yet to be fully operational in any county.

Through a series of oversight hearings, and coordinated work with the Senate and Assembly Budget committees, the Committee was able to bring about firm demands on the SACSS system vendor as well as return accountability to the state departments involved in the project. This fall, the Committee will continue with more oversight hearings to assure that project implementation continues on track without increased costs.

Key bills passed by the Assembly include:

**AB 43 (Murray): Department of Motor Vehicles internet transactions.** This bill requires the Department of Motor Vehicles (DMV) to devise and make available to the public a program for conducting transactions over the Internet by 1999. Californians are well aware of the hassles often encountered when making simple transactions at DMV branch offices. This bill is a step to not only lower DMV processing costs, but to create a much more user-friendly face to the public.  
*Status: Vetoed by the Governor.*

**AB 1345 (Alquist): Electronic Benefits Transfer Act.** This bill will allow the use of "ATM" card technology for the distribution of state benefits, including food stamps and temporary aid to needy families (TANF). This program, which is being implemented nationwide, will save California taxpayers millions of dollars as well as provide aid recipients with a more secure, easy-to-use, benefit disbursement system.

*Status: Pending in the Senate.*

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**AB 1614 (Lempert): California Internet Tax Freedom Act.** This bill, modeled on federal legislation, would prohibit the taxation or levy of fees directly on, or in connection with, the Internet, or any interactive computer services.

*Status: Pending in the Senate.*

**SB 1273 (Hurtt): State agency electronic mail.** This bill gives state agencies the authority to provide requested information via electronic mail unless impracticable to do so. This is one in a series of bills to allow the public access to government information over the Internet and to push state agencies to make this information available as soon as practically feasible.

*Status: Signed by the Governor. (Chapter 687.)*



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### **Insurance**

Assembly Democrats this year showed a strong commitment to protecting the public when it comes to health insurance. California is now considered throughout the nation as the leader in dealing with managed care and, under the chairmanship of Assemblywoman Liz Figueroa, that leadership was evident. The Assembly Insurance Committee passed bills to alter the existing balance of power in which health maintenance organizations (HMOs) hold all the cards and consumers have to take what they're dealt.

In addition, the Committee took seriously its charge to oversee the activities and management of the Department of Insurance. Senate Bill 18 by Senator Herschel Rosenthal attacked a disastrous reduction made to the Department's consumer services divisions by Insurance Commissioner Chuck Quackenbush. Consumer services had been ravaged by cutbacks, but SB 18 shored up the Department's finances by \$10 million, and stepped in to pay off a \$14 million loan the Department obtained from the General Fund. An oversight hearing in March exposed critical financial and management problems at the Department, and helped lay the groundwork for restoring the Department's ability to do its job of protecting consumers.

In the area of employees' insurance (unemployment, workers' compensation, and disability insurance), the Insurance Committee approved the streamlining of administrative procedures, advanced employment benefits, and stopped anti-worker bills.

Major bills passed by the Assembly include:

**AB 38 (Figueroa): Mothers and newborns.** This bill would require HMOs to provide no less than 48 hours of maternity coverage in the event of a normal delivery, and no less than 96 hours following a delivery by cesarean section.

*Status: Signed by the Governor. (Chapter 389.)*

**AB 331 (Figueroa): Earthquake insurance.** This bill would require the California Earthquake Authority to allow policyholders the option to make installment payments when purchasing earthquake insurance.

*Status: Signed by the Governor. (Chapter 231.)*

**AB 489 (Figueroa): Viatical settlements.** This bill gives terminally ill people the right to sell their interest in a life insurance policy to a third party (called a "viatical" company). Under current law, some life insurance companies prevent this from happening, leaving the terminally ill with no access to much-needed funds. AB 489 removes that insurance-industry veto, so that

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those who so choose can use the money from the policy to live out their last days with dignity and independence.

*Status: Signed by the Governor. (Chapter 440.)*

**AB 588 (Figueroa) & AB 649 (Napolitano): Insurance discrimination/domestic violence.**

AB 588 would assure that victims of domestic violence are not discriminated against by their property and casualty insurers based on the fact that they have been victimized. AB 649 would apply similar provisions to life insurers.

*Status: Signed by the Governor. (AB 649 Chapter 176; AB 588 Chapter 845.)*

**AB 794 (Figueroa): HMO medical directors.** This bill would assure that the only people within an HMO who can overturn a doctor's decision about health care are other licensed physicians or health care professionals provided the decision is within their licensed scope of practice. This would make it illegal for HMOs to use unlicensed people to reverse a doctor's care decision because it would save the HMO money. In addition, the bill requires the reviewing professional to physically examine the patient in appropriate circumstances, rather than just looking at the patient's paperwork.

*Status: Vetoed by the Governor.*

**AB 956 (Figueroa): Workers' compensation.** This bill would increase workers' compensation benefits for job-related disabilities and increase the death benefits for a dependent spouse. Insured employers have saved over \$9 billion since the 1993 workers' compensation reforms were enacted, while employees have received only \$513 million in benefit increases. This bill would more equitably share the savings employers have been receiving from the reforms.

*Status: Pending in the Senate.*

**AB 984 (Davis): Emergency response costs.** This bill would require health care service plans and policies of disability insurance which provide hospital or medical coverage to include full coverage for emergency ambulance service.

*Status: Pending in the Senate.*

**AB 1100 (Thomson and Perata): Mental Health Care.** This bill requires HMOs to treat mental illness the same way they treat physical illness when the mental illness has a biological basis.

*Status: Pending in the Senate.*

**AB 1333 (Martinez): Prescription drugs.** This bill would prohibit health plans and insurance companies from placing limits on prescription drugs which a physician may prescribe.

*Status: Pending in the Senate.*



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**SB 18 (Rosenthal): Prop. 103 escheat funds.** This bill would divert \$14 million in unclaimed Proposition 103 refunds to pay off a loan the Department of Insurance incurred and gives the Department an additional \$10 million over three years to supplement its budget for consumer protection.

*Status: Signed by the Governor. (Chapter 239.)*

### ***Bills defeated in the Insurance Committee:***

Last session, dozens of anti-worker bills were approved by the Assembly under Republican leadership. This year, the Assembly Insurance Committee *stopped* a series of anti-worker bills including the following:

**AB 660 (Brewer): Workers' compensation.** This bill would have restricted the 10% increase in workers' compensation awards only to that part which is unreasonably delayed or refused. Existing law increases the workers' compensation award by 10% if the award is unreasonably delayed or refused.

*Status: Defeated in Committee.*

**AB 825 (Margett): Workers' compensation.** This bill would have limited the Insurance Commissioner when calculating workers' compensation rates to examining the costs of injuries "predominantly" caused by employment. This would have replaced existing law which allows the Commissioner to take into account the costs of injuries aggravated or accelerated by employment. Additionally, the bill would have transferred the responsibility for payment of costs of some injuries from workers' compensation insurers to the Subsequent Injuries Fund within the state General Fund. This would have shifted unfunded liability to the state General Fund (i.e., all state taxpayers).

*Status: Defeated in Committee.*

**AB 1454 (House): Workers' compensation.** This bill would have required policyholders who purchase existing businesses to receive a 1.0 (or very low) experience rating from insurance companies. This would have reduced the current incentive to employers to maintain employee safety if the owner is planning to sell the business. Without such an incentive to maintain employee safety, this could have contributed to more worker injuries.

*Status: Defeated in Committee.*

**SB 859 (Lewis): Insurance Rates.** This bill would have permitted insurers to do an end-run around the rate regulation that the voters put into place when they passed Proposition 103. It is one of a series of bills the insurance industry has backed in recent years to try and erode the consumer protections of current law.



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*Status: Defeated in Committee.*



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### **International Trade and Development**

As the economy continued to grow and expand, Assembly Democrats took important steps to ensure the growth continues. Under the leadership of its chair, Assemblywoman Grace Napolitano, the Committee on International Trade and Development -- a new standing committee for the 1997-98 session -- focused exclusively on California's continued leadership in a global economy and efforts to promote access to foreign markets by the state's diverse small and medium-sized businesses.

As the seventh largest economy in the world and premier exporting state, California's economic vitality is dependent on a strong and growing international trade base. Today, approximately one-out-of-seven jobs in California is dependent upon international commerce and 1.5 million jobs are directly tied to exports.

Given these statistics and the demand for jobs brought about by a burgeoning population, economic restructuring and welfare reform, the Committee is playing a pivotal role in enhancing California's trade performance in three distinct areas:

- Trade policy and program development;
- Legislative oversight of state trade programs to ensure maximum effectiveness; and
- Advocacy on behalf of constituencies, principally small and medium-sized California businesses, which are the backbone of California's economy.

As the body responsible for analyzing trade and trade-related legislation, the Committee sought to promote adoption of innovative programs and services that create jobs and exports in the most promising sectors: high technology, services, and agriculture. Concern for the export development needs of the state's small and medium-sized businesses is also a priority focus.

Operating under the basic theme of "job creation through international trade," the Committee worked to develop comprehensive trade policies and programs that promote the continued "internationalization" of the state's economy. To accomplish this, the Committee continually solicits the perspectives of labor groups, trade promotion organizations and state/local agencies, and it regularly communicates California's trade interests to federal trade policy and promotion agencies and the Congress.

Following are some of the key bills passed by the Assembly this year:

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**AB 896 (Napolitano): Technical support.** Provides technical support and information to California businesses so they can become suppliers or subcontractors on overseas infrastructure projects such as dams, power plants, airport construction, telecommunications systems, etc. The U.S. Department of Commerce estimates that there will be -- in East Asia alone -- almost \$1.5 trillion in government procurement within the next decade. This bill will help ensure that California's smaller companies can participate successfully in these projects.

*Status: Signed by the Governor. (Chapter 922.)*

**AB 899 (Napolitano): Economic development.** Establishes the California Regional Collaboratives Economic Development Program. The measure is designed to encourage regional cooperation, reduce red tape, eliminate duplication of effort and foster job creation. Grants would be provided in a competitive process to regional groups for planning purposes and to fund up to 15 regional partnerships. These partnerships would identify industry-wide needs, generate jobs and effectively organize economic development resources. AB 899 appropriates \$5.2 million for this program.

*Status: Pending in the Senate.*

**AB 1217 (Bustamante): Targeted Tax Area.** Allows the Trade and Commerce Agency to designate one "targeted tax area" in an economically depressed community. The tax incentives include hiring and sales tax credits, business equipment expensing and operating loss deductions.

*Status: Signed by the Governor. (Chapter 602.)*

**AB 1508 (Cardoza): Rural development.** This bill focuses attention on the export potential of businesses located in rural areas and appropriates \$100,000 from the General Fund to the Office of Export Development (Trade and Commerce Agency) for a series of activities and programs to serve the interests of rural businesses.

*Status: Vetoed by the Governor.*



## SPEAKER'S OFFICE OF MEMBER SERVICES

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### Judiciary

Assembly Democrats have worked this year to make substantial reforms to our civil justice system, from helping Californians navigate through difficult child custody and family support issues, to making our courts more accessible to those who have been injured by tobacco products.

Under the able leadership of Assemblywoman Martha Escutia, the Assembly Judiciary Committee focused on some of the key public policy issues addressed by the Legislature this year, including providing emergency and long-term funding for the state's trial courts, addressing the always difficult issues of child custody and spousal support, and reforming the long-standing liability immunity shield provided the tobacco industry. These public policy issues strike at the core of many of the issues facing Californians at the most personal levels.

Throughout the year, the Assembly Judiciary Committee also fulfilled its important oversight responsibilities. The committee held two informational hearings in February, one pertaining to family law which reviewed the complicated issues surrounding greater use of the Franchise Tax Board in child support collection, and another which turned its sights on the Judicial Council's path-breaking report on racial and gender bias in the courts. Then, on August 14th, during the brief summer recess, the committee held an in-depth hearing reviewing the recent decision of the California Supreme Court regarding patients' legal rights in the health care system.

The committee has also committed itself to an ambitious series of oversight hearings this fall. Already in the planning stages are hearings on the scope of the state's Freedom of Religious Expression Act, and on the successes and failures of the state's "no-fault" divorce revolution.

Following are some of the important bills passed by the Assembly this year:

**AB 127 (Morrow): Jury selection.** This bill requires the Judicial Council to conduct a pilot project to streamline the jury selection process and end the inconvenience to individuals who are summoned but not used. The bill allows the Judicial Council to adopt a jury questionnaire process for challenging prospective jurors before they are actually called into the courtroom. *Status: Signed by the Governor. (Chapter 509.)*

**AB 157 (Villaraigosa): Breast feeding.** This bill allows a mother to breast feed her infant in any public or private location where she and the child are authorized to be present. The bill also sets forth legislative findings and declarations regarding the benefits of breast feeding, the fact few women continue to breast feed beyond eight weeks despite these benefits, and the need to encourage public acceptance of breast feeding.

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*Status: Signed by the Governor. (Chapter 59.)*

**AB 200 (Kuehl): Child custody.** This bill ensures that the health, safety, and welfare of children shall be the court's primary concern in determining the best interest of a child for purposes of making custody or visitation orders, and that the perpetration of child abuse or domestic violence in a household where a child resides is detrimental to the child. The bill requires the court, when granting sole or joint custody to a parent alleged to have a history of abuse or to be a habitual or continual user of controlled substances or alcohol, to state its reasons for making the order, and to ensure that any custody or visitation order is specific to the time, day, place, and manner of transfer of the child.

*Status: Signed by the Governor. (Chapter 849.)*

**AB 233 (Escutia): Trial Court funding.** This bill transfers principal funding responsibility for trial court operations to the state beginning in the 1997-98 fiscal year (FY) while freezing county contributions to the state at the FY 1994-95 levels. The bill also equalizes county obligations, so that each county pays the same percentage of trial court costs. In total, the bill provides \$300 million to \$350 million in annual fiscal relief to counties and over \$60 million in fiscal relief to cities. Most of this relief will begin in the 1998-1999 budget year.

*Status: Signed by the Governor. (Chapter 850.)*

**AB 451 (Havice): Homestead Act exemptions.** Increases Homestead exemptions by \$35,000 to help senior citizens or people with disabilities protect their homes from the potential of a forced sale in time of economic misfortune or guarantee their ability to keep sufficient amounts of equity to find adequate replacement housing.

*Status: Signed by the Governor. (Chapter 82.)*

**AB 420 (Baca): New judges.** This bill statutorily authorizes the appointment of 40 new judges to help address court clogging. Funding for these new judgeships would require further legislation appropriating funds for that purpose.

*Status: Signed by the Governor. (Chapter 858.)*

**AB 573 (Kuehl): Child support.** This bill permits district attorneys to refer child support obligations that are delinquent to the Franchise Tax Board (FTB) for collection. The FTB has proven successes in the collection of child support. This bill hopes to capitalize on those successes and ensure more regular payment of child support to California children.

*Status: Signed by the Governor. (Chapter 599.)*

**AB 594 (Torlakson): Construction disputes.** This bill makes a number of refinements and enhancements to legislation passed in 1995, which was designed to encourage speedy resolution



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of disputes between homeowner associations and developers about alleged construction defects. AB 594 will make this dispute resolution process more effective by requiring the participation of every party who could be responsible for construction defects, such as subcontractors, architects and engineers.

*Status: Vetoed by the Governor.*

**AB 702 (Villaraigosa): Child support.** This bill requires financial institutions to match their account holders against a list of past due child support obligors provided by FTB, and to report to FTB on a quarterly basis the name, address, social security number, and other identifying information for each noncustodial parent who maintains an account at the institution and who owes past due support.

*Status: Signed by the Governor. (Chapter 697.)*

**AB 829 (Thomson): Grand jury reform.** This bill requires grand juries to meet with representatives of targeted agencies with their draft findings to correct mistakes prior to issuing a final report and that grand juries be given instruction in investigative techniques.

*Status: Signed by the Governor. (Chapter 443.)*

**AB 1395 (Escutia): Child support.** This bill requires the District Attorney's child support office to refer delinquent child support cases to the FTB for collection when the payment is 90 days past due and authorizes the DA to refer child support cases to the FTB for collection when the child support payment is 30 or more days delinquent.

*Status: Signed by the Governor. (Chapter 614.)*

**AB 1438 (Escutia): Trial court employee rights.** This bill provides key protections for trial court employees, protecting their right to engage in collective bargaining.

*Status: Signed by the Governor. (Chapter 857.)*

**AB 1526 (Escutia): Counsel for minors in custody proceedings.** This bill makes clear that counsel appointed to represent a child in a custody or visitation proceeding should gather and present to the court facts that bear on the interests of the child, including the child's wishes. The bill allows appointed counsel to disclose the child's wishes if it is appropriate.

*Status: Signed by the Governor. (Chapter 449.)*

**AB 1603 (Bustamante): Product liability: tobacco.** This bill removes any real or claimed legal barrier to the State Attorney General filing suit against tobacco companies to recover state-paid medical costs of treating smokers. It was signed by the Governor this year -- underscoring the past and present viability of suits by public entities and the Attorney General against tobacco



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companies. This legislation and the other tobacco-related bills described below are completely complementary.

*Status: Signed by the Governor. (Chapter 25.)*

**AB 1609 (Papan): Silicone breast implants.** This bill revives, for a period of one year, every cause of action for personal injury or death caused by the effects of silicone gel or liquid injections which currently are barred by applicable statutes of limitation.

*Status: Vetoed by the Governor.*

**SB 21 (Lockyer): Trial court funding.** This bill appropriates \$290.5 million in fine and forfeiture revenues from the General Fund to the Trial Court Trust Fund for support of the trial courts during the current fiscal year -- preventing the forced closure of many of the state's courts.

*Status: Signed by the Governor. (Chapter 3.)*

**SB 67 (Kopp) and SB 340 (Sher): Tobacco immunity.** These bills clarify that the immunity provided under Civil Code Section 1714.45 was not intended to apply to product liability actions by parties such as victims of second-hand smoke or parties suing tobacco companies and tobacco research organizations for damages caused by tobacco products. These bills, along with AB 1603 by Speaker Bustamante, constitute historic new protections for the health of all Californians, and also will bring fair reimbursement to the state for the monumental health care costs California's taxpayers have incurred due to tobacco-related illnesses.

*Status: SB 67 Signed by the Governor. (Chapter 570); SB 340 Vetoed by the Governor.*

**SB 1296 (Lockyer): SLAPP suits.** Strategic Lawsuits Against Public Participation, or SLAPP suits, are civil lawsuits aimed at preventing citizens from exercising their political rights or punishing those who have done so. This bill clarifies that constitutionally-protected conduct (the rights of free speech and of petition) is unequivocally protected by the statute, and makes clear that the statute applies to cross-complaints and petitions, as well as to complaints.

*Status: Signed by the Governor. (Chapter 271.)*

### ***Key bills stopped by the Committee:***

**AB 129 (Morrow): Abortion - informed consent.** This bill would have enacted the Woman's Right to Know Act, instituting a 24-hour waiting period for an abortion and would have made it a misdemeanor to perform or attempt to perform an abortion in violation of the requirements of this bill.

*Status: Defeated in Committee.*



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**AB 612 (Margett): Immunity for injuries caused by public entities.** This bill would have provided immunity from liability to public entities and public employees from injuries caused by the condition of several types of water resources and facilities, including canals, conduits, streambeds or adjacent groundwater recharge spreading grounds.

*Status: Defeated in Committee.*

**AB 615 (Margett): Severe limitation on contract damages.** This bill would have limited the total amount of recovery available for breach of a non-written agreement to \$5000, the maximum award available in small claims court. It would have denied an individual who proves that a defendant breached a valid contract the opportunity to recover all foreseeable damages caused by the breach.

*Status: Defeated in Committee.*

**AB 657 (Baugh): Limitation of remedies for wrongful termination.** This bill would have limited the amount of damages for loss of future earnings to the amount of wages and benefits the employee could reasonably have been expected to earn during the five-year period following termination. Currently there is no such arbitrary block on the remedies available to employees for such wrongful termination.

*Status: Defeated in Committee.*

**AB 800 (Margett): Same-gender marriages.** This bill would have prohibited any court or agency in this state from respecting or recognizing a marital relationship between persons of the same sex which is validly contracted in another state and treated as a marriage in that state.

*Status: Defeated in Committee.*

**AB 912 (House): Attack on employment discrimination remedies.** This bill would have exempted the Workers' Compensation Act from the protections of the Fair Employment and Housing Act, denying workers who are disabled on the job the same discrimination remedies provided to workers whose disabilities are not work-related.

*Status: Defeated in Committee.*

**AB 913 (Runner): Divorce.** This bill would have made it substantially more difficult to get a divorce. Among other things, this bill would have added a "cooling off" period which would have required parties to wait for 90 days after filing a divorce petition, and then file a second petition before being allowed to proceed.

*Status: Defeated in Committee.*

**AB 1122 (Baugh): Evidence regarding insurance coverage.** This bill would have created an exception to the collateral source rule and permit defendants in personal injury actions to



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introduce evidence showing that the plaintiff has, or may have, already collected an insurance payment for medical expenses, related to the injury at issue in the case, from the employer's workers compensation plan.

*Status: Defeated in Committee.*

**AB 1171 (Kaloogian): Damper on wrongful termination suits.** This bill would have significantly restricted the ability of employees who allege that they were wrongfully terminated to file suit and recover damages. The bill also would have prohibited the bringing of any action for wrongful termination if the terms of the employment were "at will."

*Status: Defeated in Committee.*

**AB 1176 (Pringle): Liability in auto accidents.** This bill would have prohibited a person from bringing an action seeking general damages for accidental injury resulting from the use, operation, or maintenance of a motor vehicle until the court determines that the plaintiff has suffered a "serious injury," meaning death, serious impairment of bodily functions, or permanent serious disfigurement.

*Status: Defeated in Committee.*

**AB 1371 (Morrow): Restriction on punitive damages.** This bill would have made a number of significant changes to the law governing punitive damages awards, including: (1) requiring that the amount of punitive damages be decided by judges rather than juries; (2) prohibiting the defendant's financial condition from being considered in determining the amount of the damages award; and (3) requiring that the amount of damages be reduced by the extent to which it would unfairly duplicate other punitive damages awards paid by the defendant for the same conduct.

*Status: Defeated in Committee.*

**AB 1446 (Ackerman): Derivative shareholder actions.** This bill would have significantly restricted the ability of shareholders to file "derivative" lawsuits on behalf of the corporation against officers or directors alleged to have harmed the corporation.

*Status: Defeated in Committee.*



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### **Labor and Employment**

This year, Assembly Democrats put in motion several key labor and employment measures to protect California's workers.

Under the direction of Assemblyman Richard Floyd, the Committee on Labor and Employment addressed many key issues, including the eight-hour workday, a mainstay of protection for over 80 years in California. Without the eight-hour limitation, many employers would lengthen the workday to twelve or more hours, resulting in extreme fatigue and stress to workers.

Assembly Democrats and the Labor and Employment Committee also worked towards protection of daily overtime pay. Without such protection, California workers could take a substantial pay cut for current recipients of daily overtime and find increased risk of accidents and injury that have been linked to long work hours.

The protection of the prevailing wage, another key issue worked on by the Assembly Labor and Employment Committee, was the subject of considerable discussion. The requirement to pay prevailing wages is intended to protect employees on public works projects by ensuring that they receive at least the general prevailing rate of per diem wages for their work.

The Committee also heard several significant bills to limit discrimination in the workplace. They include protection against genetic discrimination and discrimination based on sexual orientation and race.

Finally, the committee worked to protect the health and safety of all of California's workers through legislating stiffer fines to employers and supervisors who willfully violate CalOSHA standards.

Some of the key bills passed by the Assembly this year include:

**AB 15 (Knox): Employment: overtime.** This bill provides a general framework for the payment of daily overtime compensation: time-and-one-half pay after eight hours of daily work, supervised elections of employees who elect an alternative work schedule, and up to four hours of make-up time per week where employers need not pay overtime.

*Status: Pending in the Senate.*



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**AB 140 (Baca): Cal-OSHA: Safety standards for traffic control.** This bill establishes an advisory committee to study recommendations on the necessity of safety standards for the training of flag persons in traffic control situations during construction work.

*Status: Vetoed by the Governor.*

**AB 257 (Villaraigosa): Fair employment and housing.** This bill adds sexual orientation to the list of "protected classes" (i.e., race, religion, sex, marital status, etc.) under the Fair Employment and Housing Act (FEHA), thereby expressly prohibiting employment discrimination and housing discrimination based on sexual orientation.

*Status: Vetoed by the Governor.*

**AB 310 (Kuehl): Fair employment and housing.** This bill makes a number of changes to FEHA, and conforms to federal law by providing that religious employers can discriminate only on the basis of religion.

*Status: Pending in the Senate.*

**AB 480 (Knox): Unpaid sick leave.** This bill requires an employer who provides a paid sick leave policy to permit an employee to use the sick leave policy to attend to the illness of a child, parent, or spouse.

*Status: Pending in the Senate.*

**AB 1015 (Knox): Occupational safety and health.** This bill increases the penalties for a willful violation of an occupational safety or health standard or order that causes death or permanent or prolonged impairment. The bill increases the violation from six months and \$70,000 to up to one year in jail and/or a fine not exceeding \$250,000.

*Status: Vetoed by the Governor.*

**AB 1363 (Machado): Ball boys and girls.** This bill exempts minors 14 and 15 years of age from statutory limits on working hours to perform sports-attending services such as being a ball boy or girl for a professional baseball team.

*Status: Signed by the Governor. (Chapter 763.)*

**ACR 17 (Bustamante): Prevailing wage rate formula.** This resolution declares that actions by the Department of Industrial Relations to change the method of determining prevailing wages on public works projects are contrary to its statutory authority and the intent of the Legislature.

*Status: Adopted. (Res. Chapter 34.)*

**SB 235 (Solis): Employment.** This bill more clearly identifies an employer as defined under FEHA.



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*Status: Pending in the Senate.*

**SB 680 (Solis): Employment: overtime.** This bill is a companion piece to AB 15 (Knox) and mirrors the language of the Assembly version.

*Status: Vetoed by the Governor.*





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### **Local Government**

During the recession of the 1990s, Governor Wilson successfully shifted property taxes from cities, counties, and special districts to the state, using the schools as a financial intermediary. The property tax shift had the effect of increasing the state's General Fund because the increased amount of property taxes going to schools reduced the amount of state General Fund required to be provided by the state to the schools in accordance with Proposition 98.

Even though the recession is over, the annual shift is continuing, transferring about \$3.4 billion per year, or about 17%, of total property tax revenues. This tax shift has reduced the amount of money available for local police and sheriffs, fire services, park services, libraries, senior programs, domestic violence programs, children's health care, rape crisis centers, positive programs for youth, and other important local programs.

Assembly Democrats began a three-pronged legislative effort toward reversing the property tax shift. Under the strong leadership of its chair, Assemblyman Mike Sweeney, the Local Government Committee moved a series of bills aimed at creating an increased and stable funding source for local cities, counties and special districts.

On another front, the Committee was forced to deal with implementation of Proposition 218 (the Right to Vote on Taxes and Assessments Initiative), which was enacted by the voters in November 1996. The committee and its staff spent a considerable amount of time on SB 919 (Rainey). This consensus bill established uniform procedures to carry out the proposition. The bill was signed by the Governor on July 1, 1997.

Following are some of the key bills passed by the Assembly this year:

**AB 3 (Baca): Local Agency Military Base Recovery Act.** This bill increases the number of closed military bases that are permitted to offer special tax advantages and other benefits to businesses that locate at the base.

*Status: Pending in the Senate.*

**AB 95 (Sweeney and Aguiar): Reversing the property tax shift.** This bill states the intent of the Legislature to reduce to zero the amount of property taxes shifted to the state over a ten-year period and would cap the amount of the shift to 1997-98 amounts. In reversing the shift, the bill would protect school funding.

*Status: Pending in the Senate.*



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**AB 242 (Honda): Emergency Shelters.** As El Nino threatens higher-than-normal rainfalls this winter, this bill would allow the continued use of state armories as emergency homeless shelters.  
*Status: Signed by the Governor. (Chapter 715.)*

**AB 252 (Leonard); AB 1252 (Perata and Villaraigosa); SB 973 (Green); SB 1227 (O'Connell): Developer fees for school construction.** These bills all declare that it is the intent of the Legislature to address the issue of school facilities funding. The bills are intended to be used once an agreement is reached on solving the financing needs of the state's school building program and on resolving the issue of the amount of developer fees that may be paid to schools.  
*Status: Pending in the Senate.*

**AB 411 (Wayne): Beach sanitation: testing.** This bill would require periodic testing of the waters off public, coastal beaches. If a beach is determined to be contaminated, certain actions would be required, including beach closures where necessary.  
*Status: Signed by the Governor. (Chapter 765.)*

**AB 1224 (Thomson): Failing Mello-Roos districts.** This bill would establish provisions to assist financially failing Mello-Roos districts, areas where taxes are imposed by a local agency with a two-thirds vote by property owners to provide various services for the district such as schools, utilities, etc.  
*Status: Signed by the Governor. (Chapter 946.)*

**AB 1414 (Cardenas): Detachment of part of a city to create a new city.** This bill would allow the voters of a city of more than two million residents to vote to detach a part of the city. It would take a 2/3 vote of the city's voters to approve the detachment.  
*Status: Pending in the Senate.*

**AB 1484 (Hertzberg): Commission on Local Governance for the 21st Century.** This bill would create a commission to make recommendations on statutes, policies, and practices affecting the organization of governmental agencies and the process of changing governmental boundaries.  
*Status: Signed by the Governor. (Chapter 943.)*

**AB 1485 (Scott): San Marino High School: proposed water storage facility.** This bill would prohibit construction of a water storage facility up-hill from San Marino High School until the state's Division of Safety of Dams has determined that the facility will meet dam safety requirements.  
*Status: Signed by the Governor. (Chapter 876.)*



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**AB 1527 (Brown): Undersized parcels.** This bill would allow the county to require consolidation of adjacent, undersized parcels owned by the same owner when the owner proposes to develop the property.

*Status: Signed by the Governor. (Chapter 837.)*

**AB 2X (Strom-Martin): Disaster relief.** This bill would increase the state's share of disaster relief for the early 1997 flood, thereby reducing the local share to zero.

*Status: Signed by the Governor. (Chapter 4 of First Extraordinary Session.)*

**SB 255 (Lee): Armories as homeless shelters.** This bill is identical to AB 242 (Honda).

*Status: Signed by the Governor. (Chapter 716.)*

**SB 303 (Burton): Reallocation of the property tax shift.** This bill would specify that if the property tax shift provides more than the "basic aid" amount to schools, any amounts in excess of \$4 million would be returned to the county, city, and special districts, less 14 percent for schools.

*Status: Vetoed by the Governor.*

**SB 451 (Watson): General Plans: location of businesses using hazardous materials.** This bill would require city and county general plans to designate the general location of businesses that use in excess of certain quantities of hazardous materials in order to assure that there is not an over concentration of such businesses near schools and residential communities.

*Status: Vetoed by the Governor.*

**SB 538 (Greene): Employment of displaced civilian federal firefighters.** This bill would allow local fire protection agencies to give hiring preferences to terminated civilian federal firefighters who have lost employment as a result of the closure of a military base.

*Status: Signed by the Governor. (Chapter 73.)*

**SB 566 (Thompson): Capital investment incentive program.** This bill would allow local governments to rebate a portion of property tax revenues received from large manufacturers to those same businesses which elect to locate in their jurisdiction.

*Status: Signed by the Governor. (Chapter 616.)*

**SB 919 (Rainey): Proposition 218 implementation.** This bill would implement Proposition 218, the Right to Vote on Taxes initiative.

*Status: Signed by the Governor. (Chapter 38.)*



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**SB 1100 (Solis): Library funding.** This bill would allow a local library to request a waiver from the State Librarian in order to continue to receive state library funding if the local library's funds are reduced as a result of Proposition 218 (the Right to Vote on Taxes initiative).

*Status: Signed by the Governor. (Chapter 435.).*

**SB 1184 (Thompson): Consolidation of economic development funds.** This bill would merge the California Infrastructure and Economic Development Bank with the Bergeson-Peace California Economic Development and Financing Authority under one roof within the Trade and Commerce Agency.

*Status: Pending in the Senate.*



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### **Natural Resources**

After two years of Republican control of the Assembly, Assembly Democrats reversed course and began to move California back to where an overwhelming majority of Californians want it: on the path of greater environmental protection for its air, its water and its natural resources.

Under the strong leadership of its chair, Assemblywoman Debra Bowen, the Assembly Natural Resources Committee made its top priorities the health of its most vulnerable citizens, children and the poor, and moved to undo years of neglect to our coast.

For too long, potential environmental health problems have been keyed to healthy adults, those most able to withstand poor air quality, toxins in the environment and other environmental problems associated with human health. The committee took steps to strengthen environmental standards and protect children.

Many reports this year highlighted the declining coastal resource: the disappearance of many kinds of fish; people getting sick from swimming in our bays and off our beaches; and the lack of information available to the public about ocean pollution. Upon his election as Speaker, Cruz Bustamante immediately moved to replace the Pringle appointees to the Coastal Commission with environmentally sensitive commissioners. And the Committee passed a number of bills to address serious concerns about a resource that provides California with billions of dollars in revenues each year, and Californians with tens of thousands of jobs.

Some of the key bills passed by the Assembly this year include:

**AB 140 (Baca): Cal-OSHA: Safety standards for traffic control.** This bill establishes an advisory committee to study recommendations on the necessity of safety standards for the training of flag persons in traffic control situations during construction work.

*Status: Vetoed by the Governor.*

**AB 241 (Lempert): Coastal wetlands.** Contains \$6.259 million for the Governor's wetlands program and safeguards to protect coastal wetlands. The bill creates the Southern California Wetlands Clearinghouse, a cooperative between federal, state and local agencies, for regulatory and planning authority over the use of coastal wetlands, and a public-private organization to bring public and private parties together for the protection of wetlands; it also requires BCDC to work with the Coastal Conservancy and others to establish a San Francisco Bay Wetlands Mitigation Bank pilot program.

*Status: Vetoed by the Governor.*

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**AB 257 (Villaraigosa): Fair employment and housing.** This bill adds sexual orientation to the list of "protected classes" (i.e., race, religion, sex, marital status, etc.) under the Fair Employment and Housing Act (FEHA), thereby expressly prohibiting employment discrimination and housing discrimination based on sexual orientation.

*Status: Vetoed by the Governor.*

**AB 310 (Kuehl): Fair employment and housing.** This bill makes a number of changes to FEHA, and conforms to federal law by providing that religious employers can discriminate only on the basis of religion.

*Status: Pending in the Senate.*

**AB 667 (Lempert): Inland oil spills.** Expands the Oil Spill Prevention and Response Act, which deals with ocean oil spills to oil spills in inland waters.

*Status: Pending in the Senate.*

**AB 705 (Strom-Martin): State agency recycling.** Encourages greater recycling efforts by state agencies to match efforts made by local communities and requires state agencies to purchase recycled goods if they can be purchased at the same or at lower costs than non-recycled goods.

*Status: Vetoed by the Governor.*

**AB 968 (Knox): Air pollution: fine particles monitoring program.** Requires the Air Resources Board to conduct a specific program to monitor air pollution particles as small as 2.5 microns in diameter (current law requires monitoring for 10 microns). There is \$784,000 in this year's budget to fund this program.

*Status: Signed by the Governor. (Chapter 518.)*

**AB 1190 (Torlakson): Hazardous materials release.** This bill authorizes a county officer to subpoena and interview people involved in a hazardous materials release or threatened release and requires the county officer to report to the board of supervisors those steps that should be taken to prevent a repeat of the release or threatened release.

*Status: Vetoed by the Governor.*

**SB 181 (Kopp): CEQA exemption for proposed San Francisco Giants ballpark:** This bill exempts from CEQA the relocation of occupants from property intended to be used for the proposed Giants ballpark in San Francisco, while protecting the rights of those occupants to challenge or appeal the relocation.

*Status: Signed by the Governor. (Chapter 4.)*



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**SB 499 (Alpert): Coastal nonpoint source pollution.** This bill directs the State Water Resources Control Board and the Coastal Commission to develop a coordinated strategy to control and inform the public about nonpoint source water pollution.

*Status: Vetoed by the Governor.*

**SB 673 (Karnette): Contaminated coastal sediments.** This bill requires and finances the preparation of a long-term management plan for contaminated sediments in coastal waters adjacent to Los Angeles County. A broad-based effort to deal with the dredging and disposal of contaminated sediments is underway. This bill authorizes and finances the state's participation in that effort.

*Status: Signed by the Governor. (Chapter 897.)*

**SB 1113 (Solis): Consideration of environmental impact on minority and low-income populations.** This bill requires that the California Environmental Quality Act (CEQA) Guidelines be revised to incorporate consideration of disproportionate effects of projects on minority and low-income populations. This bill is intended to make CEQA consistent with federal policies relative to disproportionately high and adverse environmental effects on minority and low-income populations.

*Status: Vetoed by the Governor.*

**SB 1330 (Lockyer): Solid waste: farm and ranch cleanup and abatement program.** This bill establishes the Farm and Ranch Solid Waste Cleanup Program and allows the Legislature to appropriate up to \$1 million annually to fund the grants, which are targeted at cities and counties that are implementing proactive illegal solid waste disposal prevention programs.

*Status: Signed by the Governor. (Chapter 875.)*



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## **Public Employees, Retirement And Social Security**

After three years without a pay increase and two years without a contract, state employees have not enjoyed the salary increases other California employees have experienced. Under the strong leadership of Chair Wally Knox, the Assembly Public Employees, Retirement and Social Security Committee fought to help public employees and teachers share in the state's economic recovery.

During the year, the Committee urged the Administration to begin to bargain in good faith with employee groups. The Chair led an effort to encourage the Governor to provide a salary increase for state employees. The Committee has found that numerous state employee classifications lag behind in salaries to their private sector counterparts, and that state employees have not received a pay increase in three years and have been without a contract for two years.

Budget language was initiated to ensure that broad-based civil service changes initiated by the Administration in the budget bill must be considered by legislative policy committees in the coming year. In addition, the Committee worked with Legislative Counsel to provide advice to legislative leaders on the appropriate legal basis for lump-sum repayment of the court-ordered payback of over \$1 billion to the Public Employees' Retirement System fund.

These are some of the important bills passed by the Assembly this year:

**AB 321 (Bordonaro): Public employees: retirement.** Because of the growing number of violent criminals confined in mental health facilities and increased risk for employees, this bill would include specified officers and employees of the State Department of Mental Health in the safety classification for retirement purposes.

*Status: Vetoed by the Governor.*

**AB 407 (Napolitano): County employees: retirement** The County Employees Retirement Law of 1937 prescribes a \$750 retired death payment. This bill would authorize boards of supervisors to elect to increase that amount up to \$5,000.

*Status: Signed by the Governor. (Chapter 439.)*

**AB 652 (Napolitano): Public employees' retirement.** This bill would authorize school or community college districts to enter into supplemental contracts for optional benefits for their classified employees. This will allow classified employees to receive a retirement benefit structure that is equitable with state and public agency members of CalPERS. Currently, classified benefits are substantially less than other CalPERS members.

*Status: Vetoed by the Governor.*

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**AB 673 (Floyd): Mediation and the fact-finding panel.** The Meyers-Miliias-Brown Act provides for the appointment of a mediator mutually agreeable to both parties if, after a reasonable period of time, representatives of the public agency and the recognized employee organization fail to reach agreement on matters within the scope of representation.

*Status: Vetoed by the Governor.*

**AB 885 (Honda): Elected members of the State Teachers' Retirement Board.** Provides for the election of four of the 12 members of the State Teachers' Retirement Board. Under current law, these members are appointed.

*Status: Vetoed by the Governor.*

**AB 1184 (Knox): Public employees' retirement.** The Public Employees' Retirement Law limits industrial disability retirement allowance to amounts equal to the service retirement allowance a member would have received if service had not been discontinued. This bill would delete that provision.

*Status: Pending in the Senate.*

**AB 1519 (Alquist): Public employees' retirement.** The Public Employees' Retirement Law provides that survivor continuance allowances and special death benefits to surviving spouses of deceased firefighters or peace officers who died in the line of duty shall not cease upon remarriage. This bill would delete the death in the line of duty requirement.

*Status: Vetoed by the Governor.*

**AB 1595 (Committee on Public Employees, Retirement and Social Security): School and city employees.** This bill would authorize the establishment of a plan and a plan fund for part-time classified school employees who are excluded from membership in CalPERS.

*Status: Signed by the Governor. (Chapter 951.)*

**AB 1597 (Committee on Public Employees, Retirement and Social Security): Golden Handshake.** Extends until January 1, 2004, the sunset for the State Teachers' Retirement System "golden handshake" program.

*Status: Vetoed by the Governor.*

**AB 1599 (Committee on Public Employees, Retirement and Social Security): County employee retirement.** This bill requires certain county employers who fail to reinstate employees denied disability retirement by the retirement system to pay their full salaries and benefits.

*Status: Vetoed by the Governor.*



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**AB 1606 (Committee on Public Employees, Retirement and Social Security): Bosnia Crisis -- State employees.** This bill entitles any state legislative, executive, or judicial branch officer or employee, including civil service employees who, as a member of the California National Guard or a United States military reserve organization, is called up to active duty as a result of the Bosnia crisis on or after November 21, 1995, to receive similar compensation and benefits.

*Status: Signed by the Governor. (Chapter 780.)*

**SB 629 (Karnette): Public employees' retirement.** This bill makes alternative disability benefits applicable to members with less than five years of credited service whose disabilities are due to unlawful acts of bodily harm. SB 629 provides increased special death benefits to school members whose deaths were a direct consequence of violent acts that arose out of and in the course of their official duties. This bill applies to acts occurring on and after January 1, 1998.

*Status: Signed by the Governor. (Chapter 386.)*

**SB 1023 (Schiff): Public employees' survivor allowances.** The Public Employees' Retirement Law prescribes alternative 1959 survivor allowances for survivors of members who are not covered by the social security system and who die before retirement. This bill would decrease the minimum qualifying age of surviving spouses of school and public agency employees from 62 years to 60 years.

*Status: Vetoed by the Governor.*

**SB 1024 (Schiff): Remarriage benefits.** Would have allowed surviving spouses of employees of agencies contracting with PERS continue allowances and special benefits upon remarriage.

*Status: Vetoed by the Governor.*

**SB 1025 (Schiff): 80% of final compensation.** Current law limits retirement allowances of local safety members to 75% of final compensation. This bill would have increased that limit to 80% for local safety members who retire on and after January 1, 1998.

*Status: Vetoed by the Governor.*

**SB 1192 (Schiff): Golden Handshake.** Extends the authority of PERS contracting agencies, under certain circumstances, to encourage the retirement of employees by granting up to an additional four years of service credit during the 1997-98 and 1998-99 fiscal years. Extends the same authority to county boards of supervisors.

*Status: Signed by the Governor. (Chapter 458.)*



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## Public Safety

Even with the welcome news that crime rates in almost every major category have continued to decline, Assembly Democrats took aim this year on those who still threaten the public's safety. Additionally, Democrats focused on white collar crime, a growing and pernicious form of crime that robs California businesses and taxpayers of billions of dollars every year.

Under the strong leadership of its Chair, Assemblyman Robert Hertzberg, the Assembly Committee on Public Safety improved the Committee's communication and information systems by establishing a public safety outreach program. A computer database has been created which consists of law enforcement officials, criminal justice professionals, and interested persons throughout the state.

In addition to the public safety outreach program, Assemblyman Hertzberg established a Committee website, a valuable tool in keeping the public informed of pending Committee legislation. Included on the website is Committee membership, hearing agendas, legislation, and links to other governmental criminal justice sites. The site can be viewed at:

<http://www.assembly.ca.gov/publicsafety/>

Consistent with its desire to craft thoughtful and effective legislation, the Committee has established a library of criminal justice resources by state and national criminal justice experts. Among the library's resources are books, reports, and studies on a wide array of criminal justice topics ranging from alternative sentencing to women offenders. Currently, there are over 400 library publications.

Following are key bills passed by the Assembly this year:

**AB 4 (Bordonaro): "10/20/Life" for criminals using guns.** This bill is based on a proposed initiative sponsored by Mike Reynolds, the author of the "Three Strikes" initiative. It adds 10 years to a criminal's sentence if the criminal is armed or uses a gun during commission of certain felonies. It adds 20 years to the sentence if the gun is discharged. It adds 25 years to life to a criminal's sentence if the gun is discharged and anyone is injured as a result.  
*Status: Signed by the Governor. (Chapter 503.)*

**AB 29 (Villaraigosa): Medical release.** This bill establishes a procedure whereby a court may have the discretion to re-sentence or recall a sentence if a prisoner is terminally ill or permanently and severely incapacitated and is not a threat to public safety.

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*Status: Signed by the Governor. (Chapter 751.)*

**AB 115 (Havice): Home invasion burglaries.** Adds to the list of violent felonies, first-degree robbery consisting of a robbery committed in an inhabited setting by three or more persons acting in concert.

*Status: Signed by the Governor. (Chapter 504.)*

**AB 123 (Wildman): Delinquent child support.** This bill resolves the problem of delinquent child support obligators who fail to pay child support and then flee California to avoid their responsibility. When these people willfully fail to pay child support (they have the means and ability to pay, but chose not to do so) they should be extradited back to California. By making this offense a felony, this bill permits such extradition.

*Status: Pending in the Senate.*

**AB 133 (Scott): Mandatory state prison.** This bill requires any person who commits a serious or violent felony while on parole to be sentenced to state prison.

*Status: Signed by the Governor. (Chapter 160.)*

**AB 195 (Murray): Money laundering.** This bill makes it easier to prosecute money laundering crimes by requiring financial institutions to report transactions of at least \$5,000 in aggregate value conducted over seven days, or \$25,000 within 30 days.

*Status: Signed by the Governor. (Chapter 578.)*

**AB 202 (Scott): Handgrenades.** This bill would add metal military practice handgrenades or metal replica handgrenades -- which initially are relatively harmless, but are then filled with explosives, sealed, and used as deadly weapons, frequently by gangs -- to the existing list of disguised firearms and deadly weapons which are illegal in California.

*Status: Signed by the Governor. (Chapter 593.)*

**AB 210 (Hertzberg): Explosives.** This bill provides that the punishment for exploding or igniting a destructive device with the intent to commit murder shall be punished by a term of life in prison.

*Status: Signed by the Governor. (Chapter 302.)*

**AB 213 (Wildman): Sex offenders.** This bill requires a sex offender from out-of-state to register as a sex offender upon entering California.

*Status: Signed by the Governor. (Chapter 80.)*



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**AB 216 (Wayne): Criminal procedure.** This bill allows prosecutors to appeal an unlawful misdemeanor sentence to the Superior Court.

*Status: Signed by the Governor. (Chapter 255.)*

**AB 304 (Scott): Firearms.** This bill provides that a driver or passenger who conceals a handgun within any vehicle is guilty of possession of a concealable firearm, which can be prosecuted as a felony.

*Status: Signed by the Governor. (Chapter 459.)*

**AB 327 (Havice): Victims.** Adds statutory rape between a young victim and an older perpetrator to the definition of sexual abuse required to be reported under the Child Abuse and Neglect Reporting Act.

*Status: Signed by the Governor. (Chapter 83.)*

**AB 433 (Hertzberg): Misuse of public funds.** This bill authorizes investigators of county auditor-controller officers to serve search warrants and subpoenas or obtain other criminal history information and financial records critical to successful criminal filings against public officials and other persons who have misused or embezzled public funds.

*Status: Signed by the Governor. (Chapter 170.)*

**AB 445 (Pacheco): Sex offenders.** This bill provides that a defendant who attempts to murder a peace officer or firefighter engaged in the performance of his or her duties must be sentenced to life in prison.

*Status: Signed by the Governor. (Chapter 412.)*

**AB 491 (Keeley): Firearms.** In an effort to prevent gun accidents involving children, this bill makes it a misdemeanor to keep a concealable firearm within any premises under one's control if a child gains access to it and carries it off the premises.

*Status: Signed by the Governor.. (Chapter 460.)*

**AB 520 (Brown): Domestic violence.** This bill requires domestic violence training for probation officers.

*Status: Vetoed by the Governor.*

**AB 618 (Cardenas): Warrants.** To make it easier to track spouse abusers and drunk drivers, this bill requires the court clerk to enter into the statewide telecommunications system each bench warrant issued for misdemeanor domestic violence cases and driving under the influence cases.

*Status: Vetoed by the Governor.*



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**AB 662 (Hertzberg): Vehicles.** This bill provides (with specified exceptions) that, when a driver of a car flees police, the police may later impound the car.

*Status: Signed by the Governor. (Chapter 743.)*

**AB 685 (Wayne): Sex offenders.** This bill makes it a misdemeanor for an employee of a health facility to engage in sexual activity with a patient who is involuntarily confined in such a facility.

*Status: Signed by the Governor. (Chapter 209.)*

**AB 786 (Machado): Gang suppression.** This bill gives a court discretion to impose a five year requirement to register with local law enforcement agencies as part of a person's sentence upon conviction of a violent felony related to gang activity.

*Status: Pending in the Senate.*

**AB 920 (Davis): Criminal laboratories.** Local crime laboratories continue to suffer from years of deferred maintenance and capital outlays as a result of local governments and law enforcement agencies having to adjust to lower revenues. AB 920 requires the Department of Justice (DOJ) to assist local agencies in the maintenance of existing criminal forensic science laboratories.

*Status: Signed by the Governor. (Chapter 931.)*

**AB 946 (Washington): Transit violence.** This bill increases the potential fine for violence committed against a transit operator, driver, passenger, or station agent from up to \$2,000 to up to \$10,000.

*Status: Signed by the Governor. (Chapter 305.)*

**AB 950 (Davis): Peeping toms.** This bill states that any person convicted of being a "peeping tom" who has a specified prior conviction is guilty of a misdemeanor, punishable by up to one year in county jail, and a fine of up to \$1,000. AB 950 will put a peeper on notice and give the court the discretion to order counseling or remedy the behavior.

*Status: Signed by the Governor. (Chapter 237.)*

**AB 963 (Keeley), AB 853 (Hertzberg) and SB 1050 (Alpert): Gang violence.** This three-bill package provides funding for new community-based programs to prevent gang violence.

*Status: Signed by the Governor. (Chapter 885; 506; & 909.)*

**AB 1105 (Hertzberg): Juveniles.** This bill creates informal juvenile courts to deal swiftly with minor juvenile crimes, thus providing early intervention in the lives of juvenile offenders.

*Status: Signed by the Governor. (Chapter 679.)*



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**AB 1221 (Aroner): Firearms.** This bill makes it a misdemeanor to knowingly sell to a person under age 21 any ammunition intended for use in a concealable firearm, punishable by up to six months in jail and/or a fine of up to \$1,000.

*Status: Signed by the Governor. (Chapter 463.)*

**AB 1436 (Cardoza): Peace officers.** This bill prohibits a public agency from taking punitive action against a peace officer based on an allegation of misconduct unless investigation of the allegation is completed within one year.

*Status: Signed by the Governor. (Chapter 148.)*

**AB 1538 (Havice): Death penalty.** Adds to the list of special circumstances the following form of first-degree murder: the defendant intentionally killed the victim while the defendant was an active participant in a criminal street gang; and the murder was carried out to further the activities of the criminal street gang.

*Status: Pending in the Senate.*

**AJR 14 (Havice): Victims' rights.** This bill urges Congress to pass a Constitutional Amendment guaranteeing the rights of the victims of crime.

*Status: Pending in the Senate*

**SB 97 (Alpert): Domestic violence.** This bill prohibits civil compromise in all cases of elder and child abuse, and violations of specified protective orders relating to minors. Incorporates changes made by SB 115 (Burton), Chapter 18, Statutes of 1997, prohibiting civil compromise of domestic violence cases.

*Status: Signed by the Governor. (Chapter 243.)*

**SB 115 (Burton): Domestic violence.** This bill prohibits civil compromise in all domestic violence cases.

*Status: Signed by the Governor. (Chapter 18.)*

**SB 122 (Alpert): Adoption fraud.** This bill clarifies and states legislative intent that any of the specified adoption fraud offenses in current law, which are misdemeanors, may be prosecuted as grand theft, which allows it to be prosecuted as a felony in some cases.

*Status: Signed by the Governor. (Chapter 185.)*

**SB 150 (Kopp): Restitution.** This bill includes criminal restitution orders in the "judgments" which persons defrauded by real estate licensees may rely upon in claiming payment from the Department of Real Estate Recovery Account, so as to increase the ability of crime victims to receive compensation.



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*Status: Signed by the Governor. (Chapter 527.)*

**SB 186 (Solis): Sex crimes.** This bill imposes aggravated enhancements for attempted sex crimes where a perpetrator uses or is armed with a firearm or a deadly weapon, or where great bodily injury is inflicted upon the victim.

*Status: Signed by the Governor. (Chapter 109.)*

**SB 314 (Ayala): Sex offender registration.** This bill expands the list of sex offenses for which minors must register as sex offenders.

*Status: Signed by the Governor. (Chapter 819.)*

**SB 327 (Greene): Background checks.** This bill allows public housing authorities to obtain summary criminal histories of residents.

*Status: Signed by the Governor. (Chapter 105.)*

**SB 350 (Lee): Domestic violence.** This bill allocates \$11.4 million in federal Violence Against Women Act funds to local law enforcement agencies, prosecutors, and victim service agencies to help catch and prosecute sex offenders and spouse abusers, and to help their victims.

*Status: Signed by the Governor. (Chapter 9.)*

**SB 366 (Hughes): School peace officers.** This bill requires the Commission on Peace Officer Standards and Training to review minimum training and selection standards for school district peace officers.

*Status: Signed by the Governor. (Chapter 117.)*

**SB 388 (Karnette): Juveniles.** This bill authorizes law enforcement agencies to release the name of, and any descriptive information about, a minor 14 years of age or older wanted for murder.

*Status: Signed by the Governor. (Chapter 341.)*

**SB 434 (Kopp): Prisons.** This bill overrides Department of Corrections regulations which prevented the media from interviewing individual prisoners.

*Status: Vetoed by the Governor.*

**SB 438 (Johnston): Computer crimes.** This bill provides for forfeiture of cellular phone cloning equipment after a conviction based on misuse of the equipment.

*Status: Signed by the Governor. (Chapter 906.)*





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**SB 457 (Costa): Controlled substances.** This bill makes it easier for the property of drug traffickers to be forfeited.

*Status: Signed by the Governor. (Chapter 241.)*

**SB 500 (Polanco): Firearms.** This bill states that any person who manufactures, sells, imports for sale, lends, or gives away any non-sporting handgun, like a "Saturday Night Special," as defined, is guilty of a misdemeanor.

*Status: Vetoed by the Governor.*

**SB 513 (Lockyer): Death penalty.** Creates a new system for providing defense counsel to Death Row inmates in order to clear the backlog of death penalty appeals in the courts.

*Status: Signed by the Governor. (Chaptered 869.)*

**SB 547 (Watson): Firearms.** This bill makes it a misdemeanor, except in specified circumstances, to obtain more than one handgun within any 30-day period.

*Status: Vetoed by the Governor.*

**SB 641 (Polanco): Bail.** Requires that an individual who is arrested for a serious felony must have a hearing prior to release on bail or on his or her own recognizance.

*Status: Signed by the Governor. (Chapter 557.)*

**SB 644 (Polanco): Child abuse.** Enacts Lance's Law Child Safety Reform Act of 1997, providing greater access to information in the Child Abuse Central Index to reduce the incidence of child murder.

*Status: Signed by the Governor. (Chapter 842.)*

**SB 688 (Ayala): Wiretapping.** Continues authorization for the interception of wire, electronic pager, and cellular telephone communications in certain circumstances.

*Status: Signed by the Governor. (Chapter 355.)*

**SB 882 (Schiff): Sex offenders.** Requires a person subject to sex offender registration who has no residence address to update his or her address.

*Status: Signed by the Governor. (Chapter 820.)*

**SB 1078 (Lockyer): Sex offenders.** Removes the sunset date of January 1, 1998, from the 1-900 Child Molester Identification Line which enables communities to ascertain whether an individual is a convicted child molester.

*Status: Signed by the Governor. (Chapter 822.)*



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**SB 1092 (Lockyer): Child abuse.** Requires the Governor's budget to specify excess funds from the Victims of Crimes Restitution Fund so these funds can be appropriated to the Office of Child Abuse Prevention.

*Status: Vetoed by the Governor.*

**SB 1204 (Schiff): Mentors.** In an effort to increase the numbers of people who serve as mentors to at-risk children, this bill requires the Department of the Youth Authority to annually recognize exemplary Californians who volunteer as youth mentors.

*Status: Signed by the Governor. (Chapter 281.)*



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### **Revenue and Taxation**

Assembly Democrats believe policies that create and preserve California jobs are the fundamental components of sound tax policy. Massive, multi-billion tax reductions, which provide minimal tax relief to the average family, are wasteful. Meaningful tax relief that helps families with children, encourages savings, facilitates entrance into college for our youth, and promotes hiring and general economic development of depressed communities are the policies that make the most efficient use of state tax relief spending.

This year under the leadership of Assemblyman Louis Caldera, the Assembly Revenue and Taxation Committee considered and passed tax measures which embodied these principles.

The Committee heard legislation, including the Governor's proposed corporate tax cut, that proposed hundreds of millions, if not billions, of dollars in tax credits, tax base changes, and other revenue reductions or increases.

The following key bills were passed by the Assembly this year:

**AB 1X (Cardoza): Catastrophic tax loss relief.** This bill allows taxpayers to deduct non-reimbursable property losses suffered in the 1996/1997 floods. AB 1X will also allow counties to reduce assessed value of properties to reflect flood damage.

*Status: Signed by the Governor. (Chapter 3 of First Extraordinary Session.)*

**AB 27 (Strom-Martin): Reduce the minimum franchise tax.** Reduces the annual minimum franchise tax from \$600 to \$300 for small companies with \$1 million or less in gross receipts, and whose measured tax liability is less than \$800; thus reducing start-up tax burdens on new small businesses.

*Status: Pending in the Senate.*

**AB 82 (Villaraigosa): Los Angeles Revitalization Zone.** Extends the revitalization zone to 2003.

*Status: Pending in the Senate.*

**AB 94 (Cardoza): Investment credit.** Extends the Manufacturing Investment Credit to agriculture and independent oil.

*Status: Pending in the Senate.*



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**AB 168 (Torlakson): Low-income housing tax credit.** This bill increases the maximum annual amount of low-income housing credit dollars from \$35 million to \$50 million.

*Status: Pending in the Senate.*

**AB 196 (Thomson): Food banks.** Assembly Bill 196 provides an income tax credit for 20% of the costs of food donated to food banks.

*Status: Pending in the Senate.*

**AB 240 (Takasugi): Elderly/disabled homeowners.** This bill authorizes the transfer of Proposition 13 base year value between counties and continues to allow counties to authorize these base year value transfers; thus, an elderly or disabled person may move anywhere in California without fear of a property tax increase.

*Status: Signed by the Governor. (Chapter 227.)*

**AB 364 (Baca): Forgiven student loans.** Under this bill, forgiven student loans will not be treated as taxable income.

*Status: Signed by the Governor. (Chapter 228.)*

**AB 366 (Havice): Competitive ports.** Makes permanent the exemption from sales/use tax for sales of fuel and petroleum products to water common carriers for use at their first out-of-state destination ("interstate bunker fuel"). Before the tax was imposed, many ships stopped in Los Angeles/Long Beach solely to "bunker"; after the tax was imposed, the number of "bunker-only" ship calls fell drastically, meaning that ships came to California ports only if they needed to engage in other activity.

*Status: Signed by the Governor. (Chapter 615.)*

**AB 701 (Caldera): Tax enforcement information sharing.** Permits the FTB to provide tax officials of charter cities with the names, addresses, and taxpayer identification number of taxpayers who are paying state income taxes but are not paying city taxes. This will help cities track down those business taxpayers not bearing their share of city taxes.

*Status: Vetoed by the Governor.*

**AB 702 (Villaraigosa), AB 1395 (Escutia), and SB 247 (Lockyer): Child support.** This bill increases FTB responsibility for the collection of child support.

*Status: All Three Bills Signed by the Governor. (chapter 697; 614; & 601.)*

**AB 713 (Caldera): New Taxpayers' Bill of Rights.** This bill gives taxpayers who comply with state law increased protection in their dealings with the Franchise Tax Board (FTB). AB 713



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conforms California law to the federal Taxpayers' Bill of Rights, without significant costs to the state.

*Status: Signed by the Governor. (Chapter 600.)*

**AB 741 (Washington): Hiring credit for at-risk youth.** This bill allows a 33% credit to employers who hire specified at-risk youth, for wages paid, and a one-time \$300 credit for the added services of probation or parole officers who assist employers hiring at-risk youth.

*Status: Pending in the Senate.*

**AB 1019 (Machado): Tax relief.** Provides tax relief to low-income rural residents unable to purchase sales tax exempt "pipeline gas" and who primarily used LPG for household purposes.

*Status: Pending in the Senate.*

**AB 1042 (Wayne): Research and development.** Conforms to federal enhancements of the research and development (R&D) credit. The California credit will increase from 11% of R&D expenditures to 20%, matching the federal amount. (California increased the R&D credit from 8% to 11% in 1996.)

*Status: Signed by the Governor. (Chapter 613.)*

**AB 1044 (Revenue and Taxation Committee): Federal conformity legislation.** Conforms California's Bank and Corporation and Personal Income Tax laws to the federal tax code in a manner that minimizes loss of state tax revenue.

*Status: Pending in the Senate.*

**AB 1291 (Strom-Martin): Deductions for club dues and generous executive pay.** Since 1993, the federal Internal Revenue Code has denied deductions for club dues. California's non-conformity is costing the state \$16 million per year. This bill denies deductions for club dues in excess of \$500 per year, as well as executive pay in excess of \$1 million.

*Status: Pending in the Senate.*

**AB 1319 (Alquist): Opinions of value in residential assessment appeals.** This bill requires opinions of value in residential assessment appeals to be made according to Uniform Standards of Appraisal Practice, or to contain a statement that they do not meet such standards, thus discouraging frivolous property tax appeals.

*Status: Signed by the Governor. (Chapter 182.)*

**AB 1413 (Papan): State chartered credit unions.** Federally chartered credit unions already have a corporate income tax exemption under federal law. Under this bill, state-chartered credit



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unions are provided an exemption, but remain taxed on their "unrelated business income," i.e., income earned through activities other than credit union activities.

*Status: Pending in the Senate.*

**AB 1520 (Vincent): Tax credit.** Provides a 20% tax credit for five-year equity investments and qualified deposits (\$50,000-plus) in California Community Development Financial Institutions. Credit per taxpayer is limited to \$10 million per year.

*Status: Signed by the Governor. (Chapter 947.)*

**ACA 22 (Pringle): Superfund sites.** This resolution allows base year value transfers for environmentally damaged Superfund sites. To qualify, the lead environmental agency must list the property and certify that the owner didn't cause the contamination.

*Status: Pending in the Senate.*

**SB 5 (Lockyer): Capital gains; Subchapter S corporations.** Conforms to the changes to Subchapter S corporation made by Congress in late 1996. The bill also conforms to the capital gains exemptions for the sale of personal residences enacted by Congress in 1997. This provision would exempt from taxable income the first \$250,000 in gains for single taxpayers and \$500,000 for married taxpayers.

*Status: Signed by the Governor. (Chapter 610.)*

**SB 76 (Kopp): Public disclosure of insurance company property statements.** Senate Bill 76 requires county assessors to compile lists of insurance companies who have filed statements reporting changes of ownership. Will insure that insurance companies don't make secret changes of ownership and evade Proposition 13 fair market value reassessment requirements.

*Status: Signed by the Governor. (Chapter 94.)*

**SB 110 (Dills): Bradley-Burns Bill of Rights.** SB 110 shifts the burden on reporting use tax from out-of-state retailers to large in-state purchasers of equipment to ensure that local use tax is allocated to the jurisdiction where use of the property occurs. It also establishes general rights for cities and counties appealing Board of Equalization (BOE) decisions.

*Status: Signed by the Governor. (Chapter 702.)*

**SB 542 (Alpert): Parent-child transfers.** This bill permits a Proposition 13 base year value transfer to be made prospectively in conjunction with a property transfer between a parent and child, or grandparent and grandchild -- even if the child or grandchild seeking to make the transfer missed the statutory three-year deadline.

*Status: Signed by the Governor. (Chapter 941.)*



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**SB 594 (Wright): Disaster transfers.** This bill extends from three years to five years the time period for acquiring a replacement residence to which a base year value may be transferred from a disaster-destroyed home.

*Status: Signed by the Governor. (Chapter 353.)*

**SB 1233 (Lockyer, Bustamante and Pringle): Dependent credits; IRAs.** Enacts a \$150 increase in the dependent credit, \$50 effective 1/1/98, and an additional \$100 effective in 1/1/99. The bill also conforms to federal changes in Individual Retirement Accounts by increasing the income limits on eligibility for deductions and adjusts the Alternative Minimum Tax to inflation.

*Status: Signed by the Governor. (Chapter 612.)*

### ***Key Bills Stopped By The Committee:***

**AB 643 (Baldwin): 10% personal income tax rate cut.** This bill would have over two years reduced the personal income tax rate by 10% across the board at an annual cost of \$2.7 billion per year when fully implemented. It would have largely benefited the wealthiest taxpayers at a cost of billions of dollars to education.

*Status: Defeated in Committee.*



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## Transportation

Assembly Democrats responded to several major transportation issues during 1997 including the need to develop a funding plan to make the state's toll bridges earthquake safe. This multi-billion dollar earthquake safety program affects bridges in Southern California as well as the San Francisco Bay Area.

Under the active leadership of its chair, Assemblyman Kevin Murray, the Assembly Transportation Committee also acted to reform the state's new Smog Check II program after several thousand people protested the impact on low-income and fixed-income vehicle owners last fall.

In addition, the safety of motorists on California highways was also a major focus of the Committee's efforts.

The following key bills were passed by the Assembly this year:

**AB 57 (Escutia), AB 208 (Migden) and AB 1492 (Baugh): Smog check reform.**

AB 57 establishes an "economic hardship waiver" for low-income and fixed-income vehicle owners which gives them up to two years to repair their vehicles rather than lose them or simply drive them without being registered. AB 208 redirects smog impact fees charged on out-of-state cars registering in California for the first time to help pay for repairs to vehicles owned by people with low- and fixed-incomes to achieve the vehicle emissions reductions necessary for public health. AB 1492 exempts all newer cars from the smog check program.

*Status: Signed by the Governor. (Chapter 804; 802; & 803.)*

**AB 584 (Villaraigosa): Los Angeles County Metropolitan Transportation Authority (MTA).**

Sets a four-year term for the Inspector General (IG) of the Los Angeles County MTA and requires a 2/3 majority vote of the MTA Board to remove the IG (other than for specific legal or ethical violations of law or policy). It also imposes the Code of Ethics on the MTA Board which, among other things, prohibits board members or their staff from influencing award of MTA contracts.

*Status: Signed by the Governor. (Chapter 900.)*

**AB 595 (Brown): Bay Area transportation projects.** Upon region-wide voter approval, this bill authorizes the Metropolitan Transportation Commission in the San Francisco Bay Area to impose a gasoline sales tax of up to 10 cents per gallon for local transportation projects and transit operations.

*Status: Signed by the Governor. (Chapter 878.)*





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**AB 827 (Thomson): Highway safety.** This bill expands the number of "Safety Enhancement Double Fine Zones" on state highways, including Route 12, which doubles the fines for a number of unsafe driving violations, such as speeding, on sections of highways that have an extraordinary number of accidents. Also extends these enforcement zones until the turn of the century.

*Status: Signed by the Governor. (Chapter 709.)*

**AB 1143 (Murray): Los Angeles County Metropolitan Transportation Authority (MTA).**

This bill does away with "alternate" members who can serve in the absence of MTA Board members, sets a four-year term for the CEO of the MTA, and requires a 2/3 majority vote of the MTA Board to remove the CEO (other than for legal or ethical violation of law or policy). It also requires the CEO to directly award all construction contracts to the lowest responsible and responsive bidder.

*Status: Signed by the Governor. (Chapter 151.)*

**AB 1191 (Shelley): Running red lights.** This bill responds to an alarming increase in traffic accidents at street intersections by doubling the fines for those that run red lights.

*Status: Signed by the Governor. (Chapter 852.)*

**AB 1278 (Cardenas): Seatbelts.** This bill requires truck drivers to wear seatbelts when operating their vehicles.

*Status: Signed by the Governor. (Chapter 153.)*

**AB 1302 (Wayne) and SB 60 (Kopp): Bridge seismic safety.** This measure establishes a funding plan for \$2.5 billion in earthquake safety work needed on seven state-owned toll bridges. It allocates \$790 million from voter-approved seismic safety bonds for toll bridge retrofit, provides another \$827 million from state transportation funds, and increases tolls on all San Francisco Bay Area bridges from \$1 to \$2 for ten years, which generates another \$827 million for the toll bridge projects. AB 1302 establishes a local "payment" plan for making the San Diego-Coronado Toll Bridge earthquake safe without raising the maximum toll rate.

*Status: AB 1302 Signed by the Governor. (Chapter 777.); SB 60 signed by the Governor. (Chapter 327.)*

**AB 1368 (Villaraigosa): Diesel emissions clean-up.** This measure establishes a program to retrofit or replace heavy-duty diesel engines in trucks, ships and locomotives to reduce harmful emissions. The bill also creates a research and development program to promote new technologies for heavy duty engines

*Status: Pending in the Senate.*



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**AB 1611 (Ortiz): Background checks on drivers.** This bill requires background checks on all drivers of private paratransit vehicles that carry those with developmental disabilities. AB 1611 was introduced after several drivers were arrested and charged with raping females with developmental disabilities who were being transported in "for-hire" paratransit vehicles. The drivers had previous history of illegal sexual activity unknown to their employers.

*Status: Signed by the Governor. (Chapter 595.)*

**AJR 8 (Honda): Combination trucks.** This bill calls upon the Congress and President to maintain the existing federal ban on longer combination trucks, such as triple trucks and "Rocky Mountain Doubles," as they consider re-enactment of federal transportation legislation this year.

*Status: Adopted. (Res. Chapter 67.)*

**AJR 17 (Murray): Verification of license.** This bill calls upon President Clinton to maintain the existing ban on Mexican trucks entering California unabated until foreign driver's licenses can be verified and safety regulations can be enforced.

*Status: Adopted. (Res. Chapter 86.)*

**AJR 36 (Machado): Child safety.** This bill calls upon Congress and the President to encourage automobile manufacturers to address problems related to child restraint systems.

*Status: Adopted. (Res. Chapter 115.)*

**AJR 39 (Thomson): ISTEA.** Calls upon Congress and the President, in reauthorizing the major federal transportation funding legislation known as the Intermodal Surface Transportation Efficiency Act (ISTEA), to guarantee a consistent funding base for the states, pay for California's border improvements, provide consistent support for transit, and increase the amount of federal funds California receives for air quality improvement and traffic congestion mitigation efforts.

*Status: Adopted. (Res. Chapter 131.)*

**SB 45 (Kopp): Transportation planning.** This bill revises the state transportation planning and programming process to give local and regional agencies more control over project selection and to increase CalTrans' accountability for designing transportation projects.

*Status: Signed by the Governor. (Chapter 622.)*

**SB 89 (Hayden): Los Angeles County Metropolitan Transportation Authority (MTA).** This bill limits campaign contributions to MTA Board members, staff, and the immediate members of their families by any company seeking a contract from the MTA, or from a company that received a contract in the past four years. It also prohibits MTA employees from working for companies that received a contract from the MTA if the employee had anything to do with the award of the



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contract and requires the MTA to modify their standard "safety bonus" policy to focus on reducing accidents, rather than lost time due to accidents.

*Status: Signed by the Governor. (Chapter 657.)*

**SB 545 (Rosenthal): Child safety: Boating.** This bill imposes age limits on children who operate motor boats and directs the Department of Boating and Waterways to study whether training requirements are needed.

*Status: Signed by the Governor. (Chapter 747.).*

**SB 1329 (Leslie): Youth driving licenses.** This bill establishes a graduated driver's license for youth, which requires more behind-the-wheel experience, prohibits new drivers from carrying teenage passengers, and restricts the night-time hours new drivers can drive.

*Status: Signed by the Governor. (Chapter 760.)*



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### **Utilities and Commerce**

This is a very exciting and important time in the utilities arena as California's electricity consumers prepare for unprecedented changes. Assembly Bill 1890 (Brulte, 1996) became law last year and it mandated that the citizens of California would have a fully competitive, as opposed to regulated, energy industry by January 1, 2002. The consumer will have a choice similar to those following the divestiture of AT&T. However, many concerns have arisen in connection with deregulation, and Assembly Democrats have made major corrections or additions to insure that consumers get the full benefit of this major change.

Assembly Bill 1890 followed quickly on the heels of the Federal Telecommunications Act which deregulated the telephone industry in 1996, due in part to the prior passage of AB 3720 (Costa) in 1993, which provided the preparatory framework. As the telephone industry continues to strive towards true competition and benefits for the consumer, there are many parallels to be drawn and lessons to be learned from the telephone deregulation which can be applied to the newly deregulated energy industry.

Under the able leadership of Chair Diane Martinez, the Assembly Utilities and Commerce Committee has been very committed to protecting the residential and small business ratepayer during this time of great upheaval in the electricity industry.

Following are key bills passed by the Assembly this year:

**AB 153 (Baldwin): Youth group use of beaches and recreation areas and the use of buses to transport youth.** This bill would prevent local and state agencies from charging youth groups a special fee in order to use public beaches and recreation areas.

*Status: Signed by the Governor. (Chapter 707.)*

**AB 581 (Martinez): Electrical restructuring consumer protection.** The bill provides a comprehensive consumer protection package to residential and small business consumers, including a comprehensive registration program for sellers of electric service; a consumer education program with greater detail than current law; written disclosure of relevant information both before a sale is made and on the consumer's bill; written notices that are easy to understand and provided in the same language as the service was offered; enforcement by the CPUC; and no telemarketing of customers between 8pm and 7am. Similar provisions are included in SB 477.

*Status: Pending in the Senate.*



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**AB 582 (Martinez): Telecommunication competition.** This bill requires the California Public Utilities Commission (CPUC) to address specific questions in a report on how well competition is being achieved in the California telecommunication's industry and whether it is providing the anticipated results. This report will ensure that the CPUC undertakes all necessary procedures to protect the consumer and that the desired effect is really being accomplished.

*Status: Vetoed by the Governor.*

**AB 637 (Alby): Utility advertising.** This bill allows municipal utilities to expend ratepayer funds to advertise their services as specified, to attract new customers and to retain current customers. It also exempts a municipal utility providing electrical services outside its jurisdictional boundaries from a local agency formation commission (LAFCO) review.

*Status: Signed by the Governor. (Chapter 175.)*

**AB 1096 (Martinez): The Offices of Consumer Advocate.** This bill renames the Office of Ratepayer Advocate the Office of Consumer Advocate representing the interests of public utility consumers and subscribers and moves it to the Office of the Attorney General so that it is no longer under the control of the very entity that it is to oversee -- the California Public Utilities Commission.

*Status: Pending in the Senate.*

**AB 1423 (Martinez): Posting of telephone charges.** This bill requires providers of pay phones to post a notice describing all applicable telephone charges near the telephone, including individual customer telephone service activation fees charged for calls whether completed or not and the telephone number of the CPUC where the customer may lodge complaints.

*Status: Signed by the Governor. (Chapter 681.)*

**AB 1508 (Cardoza): The Rural Development Export Act of 1997.** While California is ranked as the number one exporting state in the nation, rural counties of California have not benefited substantially from the state's export activities. This bill would require the California Office of Export Development to implement a Rural Strategy Program. The program would be developed to assist rural businesses in marketing to foreign locations and train staffs in overseas trade offices about the products and services available from the state's rural communities. Greater attention to the export potential of rural businesses can lead to increased jobs and economic activity.

*Status: Vetoed by the Governor.*

**SB 90 (Sher): Renewable technologies funding.** This bill requires revenues collected by electrical corporations for renewable technologies to be deposited in the Renewable Resource Trust Fund. The moneys are, in part, to fund renewable energy resources.

*Status: Signed by the Governor. (Chapter 905.)*



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**SB 477 (Peace): Electrical service consumer protection.** The bill is similar to AB 581.  
*Status: Signed by the Governor. (Chapter 275.)*

**SB 1305 (Sher): Disclosure of electrical generation source information.** This bill requires disclosure of specific information to residential and small-commercial customers including accurate, reliable and understandable information on the generation attributes and the sources of the electricity. It also requires the CPUC to develop a standard format for these disclosures.  
*Status: Signed by the Governor. (Chapter 796.)*



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### **Water, Parks and Wildlife**

After two years of efforts by Republicans to weaken the state's environmental laws, Assembly Democrats reversed course this year and sought to reform the State's regulation of its natural resources, water, parks, wildlife, flora and fauna to bring more efficient, cost effective management of these vital natural resources.

Under the leadership of Chairman Mike Machado, the Committee on Water, Parks and Wildlife thoroughly debated issues important to Californians such as flood control, endangered species and water transfers. Chairman Machado also pledged to investigate long-term solutions to the January 1997 floods in order to lessen the danger to public safety and strengthen the state's infrastructure for future flood disasters.

The following significant measures were passed by the Assembly:

**AB 11X (Poochigian): Appropriations for flood damage repair work.** This bill appropriates \$4.7 million to the Department of Water Resources for flood control projects recommended in the final report of the Governor's Flood Emergency Action Team.

*Status: Approved by the Governor. (Chapter 5 of First Extraordinary.)*

**SB 11x (Maddy): Appropriation for flood damage repair work.** This measure appropriates \$10.4 million for erosion and sediment control projects caused by 1997 flood damage.

*Status: Signed by the Governor. (Chapter 2 of First Extraordinary.)*

**AB 374 (Kuehl): Marine Life Refuge.** This measure establishes the Malibu Marine Life Refuge and the Point Dume Marine Life Refuge and creates a panel for scientific study of the refuges, contingent upon funding.

*Status: Pending in the Senate.*

**AB 459 (Firestone): Shellfish.** This bill creates a pilot program to warn the public in order to prevent the taking and consumption of adulterated shellfish for human consumption.

*Status: Signed by the Governor. (Chapter 770.)*

**AB 1280 (Bustamante): Endangered Species: recovery strategy program.** This bill requires the Department of Fish and Game to develop and implement a recovery strategy for the greater sandhill crane, a state-threatened species.

*Status: Signed by the Governor. (Chapter 522.)*



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**AB 1464 (Strom-Martin): Water pollution prevention.** Requires the State Water Resources Control Board (SWRCB) to prepare and distribute a biennial list of targeted water bodies within coastal watersheds to establish priorities for project funding, technical support, and state and regional board activities that will protect or improve the health of these water bodies.

*Status: Vetoed by the Governor.*

**SB 231 (Costa): Endangered Species: routine and ongoing activities.** This measure allows for the taking of endangered, threatened, and candidate species incidental and accidental to routine agricultural activities. Farmers are given incentives to protect farmland that is home to endangered species and other wildlife. SB 231 contains major reform of the California Endangered Species Act (CESA) for farmers and ranchers, supported by some environmental groups.

*Status: Signed by the Governor. (Chapter 528.)*

**SB 463 (Thompson): Abalone.** Senate Bill 463 establishes a ten-year permissive moratorium on the harvest of all species of abalone, for any purpose, in ocean waters south of San Francisco.

*Status: Signed by the Governor. (Chapter 787.)*

**SB 879 (Johnston): Endangered Species.** This bill authorizes the Department of Fish and Game to issue incidental take permits, subject to certain provisions. This is a major breakthrough in efforts to reform the CESA, supported by industry and environmental groups.

*Status: Signed by the Governor. (Chapter 567.)*

### ***Informational Hearings:***

In January, 1997, Northern and Central California experienced devastating flooding. The Assembly Water, Parks and Wildlife Committee held three informational hearings in March and April regarding the Sacramento-San Joaquin River Systems and the impact of the flood.

The informational hearings occurred after the initial flood waters receded and communities began to rebuild. This provided the Committee with an opportunity to review the state's water delivery and flood control systems both prior to and during the flood event. The major topics of the Committee's three hearings were:

- The review of the operations and management of the current flood system prior to and during the flood event;
- Flood control policies and their impact on California's river system; and





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- The emergency response and communications during the flood event.

The severity of January's flood and the impact on the people of California brought communities and people from throughout the state together to help one another. Individual legislators assisted by facilitating information and disaster relief assistance to flood victims.

The Committee released a summary of the informational hearings on the 1997 flood. Copies can be obtained by calling the Committee office.



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## Highlights of Budget Proposal

ITEM	DESCRIPTION
<b>Education &amp; Children</b>	<p>\$33 billion in state and local revenues for K-12, including:</p> <ul style="list-style-type: none"> <li>• \$1.481 billion to provide full funding (\$800 per student) for class size reduction in K-3.</li> <li>• \$520 million in unanticipated revenues will be allocated to districts for purposes they deem appropriate.</li> <li>• \$100 million for school rehabilitation.</li> <li>• \$76.7 million equalization funding of special education.</li> <li>• \$100 million to the new Digital High School program.</li> <li>• \$50 million for one staff development day.</li> <li>• \$64 million augmentation to increase the supply of child care providers.</li> <li>• \$25 million to fund new child care facilities.</li> </ul>
<b>Public Safety</b>	<ul style="list-style-type: none"> <li>• \$100 million for COPS for jail construction and operation, criminal prosecution and front line law enforcement.</li> <li>• \$114 million in federal funds, including: <ul style="list-style-type: none"> <li>--\$17 million local jail construction/increased security.</li> <li>--\$38 million for juvenile facilities, \$20 million of which is for counties under 200,000. May include boot camps.</li> <li>--\$54 million to house illegal immigrant inmates.</li> </ul> </li> <li>• \$3.5 million to expand drug treatment in prisons.</li> </ul>
<b>Public Health</b>	<p>lp for AIDS patients:</p> <ul style="list-style-type: none"> <li>• Fully funds AIDS Drug Assistance Program.</li> <li>• Restored \$12.9 million for local AIDS services.</li> <li>• Authorizes statewide centralization of AIDS pharmacy services to expand access to and reduce costs.</li> </ul> <p>\$3 million increase for a farmworker health program for migran workers.  \$5 million increase for healthcare for underserved rural communities.</p>
<b>Higher Education</b>	<ul style="list-style-type: none"> <li>• No increase in student fees.</li> <li>• A 4% increase in funding for CSU &amp; UC, to accommodate growth of more than 4,000 new students.</li> <li>• \$5 million to begin planning and construction of 10th UC campus at Merced.</li> <li>• \$1.6 million for conversion of Camarillo State Hospital into CSU's</li> </ul>



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	<p>23rd campus at Channel Islands.</p> <ul style="list-style-type: none"> <li>• \$11 million to Student Aid Commission to increase number of Cal Grant awards and other purposes.</li> </ul>
<b>Community Colleges</b>	<ul style="list-style-type: none"> <li>• \$65 million for design and implementation of educational programs to help CalWORKs participants find jobs.</li> <li>• Increases share of Prop. 98 funds from 10.26% to 10.3%.</li> <li>• \$1 million to increase the percentage of full-time faculty.</li> </ul>

<b>ITEM</b>	<b>DESCRIPTION</b>
<b>Coastal Protection</b>	<p>\$21.448 million for coastal protection including:</p> <ul style="list-style-type: none"> <li>• \$1.5 million for Coastal Conservancy acquisition.</li> <li>• \$1 million for non-point source pollution protections.</li> <li>• \$500,000 for Coast '97 to develop a comprehensive planning and management program to protect and enhance coastal resources.</li> <li>• \$3 million for salmon enhancement.</li> <li>• \$700,000 for beach erosion sand replenishment.</li> <li>• \$75,000 to develop ocean monitoring regulations.</li> <li>• \$2 million for Tijuana estuary acquisition.</li> <li>• \$500,000 Tomales Bay State Park acquisition.</li> <li>• \$2 million Upper Newport Bay wetlands.</li> <li>• \$750,000 for abandoned vessels.</li> <li>• \$123,000 for Monterey Bay National Marine Sanctuary.</li> <li>• \$6.3 million for Coastal wetlands.</li> <li>• \$1.1 million for Coastal Commission.</li> <li>• \$1 million for Coast Dairies property acquisition (Santa Cruz).</li> <li>• \$600,000 for PORTS (oceans computer data collection project).</li> </ul>
<b>Local Government</b>	<ul style="list-style-type: none"> <li>• \$75 million savings by eliminating the fee charged to public hospitals that serve a disproportionate share of patients who are indigent or on Medi-Cal.</li> <li>• \$90 million savings to counties through Trial Court Funding.</li> <li>• Will allow counties that contract with the state to exempt from ERAF all funds, regardless of the source, that are appropriated to a fire district.</li> </ul>
<b>Safety Net</b>	<ul style="list-style-type: none"> <li>• \$35.6 million in Food Stamps for children and seniors.</li> <li>• \$3 million to augment farmworker clinics for health care.</li> <li>• \$2 million for additional food assistance.</li> </ul>
<b>Housing</b>	<ul style="list-style-type: none"> <li>• \$1 million augmentation to enable more families to build "sweat</li> </ul>



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	<p>equity” by building their own homes.</p> <ul style="list-style-type: none"> <li>• \$4 million to build or rehabilitate housing for migrant or seasonal workers..</li> <li>• \$1 million to non-profit developers in loan form to assist with development projects.</li> </ul>
<b>Welfare Reform</b>	<ul style="list-style-type: none"> <li>• \$460 million for job training.</li> <li>• \$365 million for child care for welfare recipients.</li> <li>• \$819 million for child care for working poor.</li> <li>• \$60 million for county incentives and training.</li> <li>• \$40 million for substance abuse and mental health treatment.</li> <li>• \$22 million for job creation.</li> </ul>

<b>ITEM</b>	<b>DESCRIPTION</b>
<b>Transportation</b>	<ul style="list-style-type: none"> <li>• \$200 million to provide matching funds to counties and cities for transportation projects.</li> <li>• \$4.733 million for intercity rail projects in Los Angeles/San Diego, the Capital Corridor and the Coachella Valley.</li> <li>• Eliminates Motor Vehicle Account deficit through a \$1 increase in the Vehicle Registration fee and a \$2 increase in the title transfer fee, to prevent layoffs at CHP &amp; DMV.</li> </ul>
<b>Small Business &amp; Job Creation</b>	<ul style="list-style-type: none"> <li>• \$30,000 to publish a small business reference guide on where and how to obtain small business loans.</li> <li>• \$500,000 for small business development centers.</li> <li>• \$800,000 Savings to small businesses by exempting them from the tourism marketing assessment required under state law.</li> <li>• \$5.53 million in vocational education welfare funds.</li> </ul>